

**BOROUGH OF BRADLEY BEACH**

**Financial Statements With  
Supplementary Information  
December 31, 2020**

**(With Independent Auditors' Report Thereon)**

# **BOROUGH OF BRADLEY BEACH**

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Borough Council  
Borough of Bradley Beach  
County of Monmouth, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Bradley Beach in the County of Monmouth, as of December 31, 2020, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents. The financial statements for the year ended December 31, 2019 were audited by other auditors whose report dated January 20, 2021 expressed a qualified opinion.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Bradley Beach on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Bradley Beach as of December 31, 2020, or changes in financial position for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets as of December 31, 2020, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.





***Emphasis of Matter***

*Restatement of General Fixed Assets*

As discussed in Note 1B to the basic financial statements, the Borough's General Fixed Assets for the year ended December 31, 2019 were restated based on an inventory performed by an independent appraisal company. Our opinion was not modified with respect to this matter.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Bradley Beach's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2021 on our consideration of the Borough of Bradley Beach's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control



Honorable Mayor and  
Members of the Borough Council  
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over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Bradley Beach's internal control over financial reporting and compliance.



Steven D. Wielkottz, C.P.A.  
Registered Municipal Accountant  
No. CROO413



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

July 3, 2021

**Borough of Bradley Beach, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31, 2020 and 2019**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>			
Cash	A-4	\$ 4,451,308	3,907,408
Due from State -Veterans and Senior Citizens	A-8		500
		<u>4,451,308</u>	<u>3,907,908</u>
Receivables and Other Assets			
with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	232,707	336,128
Tax Title Liens Receivable	A-7	1,644	2,254
Revenue Accounts Receivable	A-9	4,578	4,578
Interfund:			
Public Assistance Fund	A-10	11	
Beach Utility Operating	A-10	231,003	66,496
Payroll Fund	A-10	26,093	17,446
Due from State of N.J.-Marriage License	A-5		50
		<u>496,036</u>	<u>426,952</u>
Total Current Fund		<u>4,947,344</u>	<u>4,334,860</u>
Federal and State Grant Funds:			
Interfund-Current Fund	A-19	30,706	12,687
Grants Receivable	A-20	30,520	30,520
		<u>61,226</u>	<u>43,207</u>
		\$ <u>5,008,570</u>	\$ <u>4,378,067</u>

See accompanying notes to financial statements.

**Borough of Bradley Beach, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**  
**Current Fund**  
**December 31, 2020 and 2019**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3, A-11	\$ 689,616	742,708
Reserve for Encumbrances	A-12	79,695	73,988
Prepaid Taxes	A-13	218,393	154,004
Tax Overpayments	A-15	20,436	7,477
Due to State -Veterans and Senior Citizens	A-8	2,564	
Various Reserves	A-17	139,282	209,496
Interfund:			
Federal and State Grant Fund	A-10	30,706	12,687
General Capital Fund	A-10	110,422	
Accounts Payable	A-18		17,235
Local School Taxes Payable	A-16	217,470	821,226
Due to State of New Jersey - Marriage Fees	A-5	150	
Due to State of New Jersey - Building Fees	A-5	4,846	
Due County for Added and Omitted Taxes	A-14	11,503	17,118
		<u>1,525,083</u>	<u>2,055,939</u>
Reserve for Receivables	Contra	496,036	426,952
Fund Balance	A-1	<u>2,926,225</u>	<u>1,851,969</u>
		<u>4,947,344</u>	<u>4,334,860</u>
Federal and State Grant Funds:			
Reserve for Federal and State			
Grant Funds:			
Appropriated	A-21	<u>61,226</u>	<u>43,207</u>
		<u>61,226</u>	<u>43,207</u>
		<u>\$ 5,008,570</u>	<u>\$ 4,378,067</u>

See accompanying notes to financial statements.

## Borough of Bradley Beach, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Current Fund

Years Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>REVENUE AND OTHER INCOME REALIZED:</u>			
Surplus Utilized	A-2	\$ 897,000	997,000
Miscellaneous Revenue Anticipated	A-2	1,119,565	944,475
State Aid	A-2	355,290	355,290
Grants	A-2	178,916	30,918
Receipts from Delinquent Taxes	A-2	242,277	138,253
Receipts from Current Taxes	A-2	17,653,893	16,739,736
Non-Budget Revenue	A-2	59,952	87,374
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	772,526	343,375
Cancellation of Appropriations Payable	A-3	113,981	43,886
Cancellation of Appropriations Reserves			5,000
Interfunds Returned		50	
TOTAL INCOME		\$ 21,393,450	\$ 19,685,307
<u>EXPENDITURES:</u>			
Budget and Emergency Appropriations:			
Operations Within CAP:			
Salaries and wages	A-3	\$ 3,950,105	3,865,807
Other expenses	A-3	2,893,370	2,501,056
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	987,793	876,792
Operations Excluded from CAP:			
Other Expenses	A-3	740,649	520,282
Capital Improvements	A-3	65,000	170,600
Deferred Charges and Statutory Expenditures			40,000
Municipal Debt Service	A-3	900,254	827,834
County Taxes	A-14	3,837,657	3,663,693
Due County for Added and Omitted Taxes:			
Current Year	A-14	11,647	17,118

See accompanying notes to financial statements.

Borough of Bradley Beach, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Years Ended December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>EXPENDITURES (Continued)</u>			
Local District School Tax	A-16	\$ 5,826,090	6,369,798
Reconciliation Adjustment	A-4	44,669	
Prior Year Refunds			308
Interfund Loans		<u>164,960</u>	<u>66,496</u>
TOTAL EXPENDITURES		<u>19,422,194</u>	<u>18,919,784</u>
Excess (Deficit) in Revenue		1,971,256	765,523
Adjustments to Income before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year		<u>                    </u>	<u>                    </u>
Statutory Excess to Surplus		<u>1,971,256</u>	<u>765,523</u>
Fund Balance, January 1,	A	1,851,969	2,083,446
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>897,000</u>	<u>997,000</u>
Balance, December 31,	A	<u>\$ 2,926,225</u>	<u>\$ 1,851,969</u>

See accompanying notes to financial statements.

Borough of Bradley Beach, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	897,000		897,000	
Miscellaneous Revenues - Section A: Local Revenues					
Licenses:					
Alcoholic Beverages		20,000		20,000	-
Other		5,100		6,868	1,768
Fees and Permits		89,600		47,283	(42,317)
Fines and Costs:					
Municipal Court		80,000		132,720	52,720
Interest and Costs on Taxes		25,000		56,024	31,024
Parking Meters		75,000		118,649	43,649
Interest on Investments and Deposits		25,000		9,878	(15,122)
Cable TV Franchise Fees		54,000		53,234	(766)
Concession Rents		50,000		46,208	(3,792)
Cell Tower Rental Fee		60,000		63,793	3,793
Sewer Utility Operating Surplus		200,000		200,000	-
Total Section A	A-2	683,700	-	754,657	70,957
Miscellaneous Revenues - Section B: State Aid Without Offsetting Appropriations					
Energy Receipts Tax (P.L. 1997, Ch. 162 & 167)	A-4	355,290		355,290	-
Total Section B		355,290	-	355,290	-

See accompanying notes to financial statements.



Borough of Bradley Beach, N.J.  
Statement of Revenues - Regulatory Basis  
Current Fund  
Year Ended December 31, 2020

	Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues - Section C: Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S.A. 40A:4-36 and N.J.A.C. 5:23-4.17):					
Uniform Construction Code Fees	A-4	125,000		187,372	62,372
Miscellaneous Revenues - Section D: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements offset with Appropriations:					
Municipal Court Services - Borough of Avon	A-4	35,000		35,700	700
Municipal Court Services - Borough of Allenhurst	A-4	49,000		49,000	-
Total Section D		84,000	-	84,700	700
Miscellaneous Revenues - Section E: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services Additional Revenues Offset With Appropriations:					
Code Enforcement Permits	A-4	35,000		57,627	22,627
Miscellaneous Revenues - Section F: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services State and Federal Revenues Offset With Appropriations:					
Clean Communities Program	A-20		12,109	12,109	-
Monmouth County CARES Act	A-20		164,796	164,796	-
Body Armor Grant	A-20	2,011		2,011	-
Total Section F		2,011	176,905	178,916	-

See accompanying notes to financial statements.

Borough of Bradley Beach, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues - Section G: Special Items of Revenues Anticipated With Prior Written Consent of Director of Local Government Services-Other Special Items:					
Uniform Fire Safety Act	A-4	2,700		1,323	(1,377)
Library Payment of Services	A-4	2,275		2,275	-
Verizon Franchise Fees	A-4	31,500		31,611	111
Total Section G		36,475	-	35,209	(1,266)
Total Miscellaneous Revenues	A-1	1,321,476	176,905	1,653,771	155,390
Receipts from Delinquent Taxes	A-1	150,000		242,277	92,277
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	A-2	7,481,773		7,796,481	314,708
Non-Budget Revenue	A-4			59,952	59,952
Grand Total		9,850,249	176,905	10,649,481	622,327
		A-3	A-3		

See accompanying notes to financial statements.

Borough of Bradley Beach, N.J.

Statement of Revenues - Regulatory Basis

Current Fund		Year Ended December 31, 2020
Analysis of Realized Revenues		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1	\$ 17,653,893
Allocated to:		
School, County, Regional School and Municipal Open Space Taxes	A-6	10,347,394
Balance for Support of Municipal Budget Appropriations		7,306,499
Add: Appropriation - Reserve for Uncollected Taxes	A-3	489,982
Amount for Support of Municipal Budget Appropriations	A-2	\$ 7,796,481
Receipts from Delinquent taxes:		
Delinquent Tax Collections	A-6	242,277
Tax Title Liens	A-7	-
	A-2	\$ 242,277
Analysis of Miscellaneous Revenues Section A - Local Revenue		
Interfund - Beach Utility Operating	A-10	164,507
Interfund - Public Assistance Trust	A-10	11
Interfund - General Capital	A-10	11,506
Cash Received	A-4	578,633
	A-1, A-2	\$ 754,657

See accompanying notes to financial statements.

Borough of Bradley Beach, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund  
Year Ended December 31, 2020

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Overexpended
Operations - within "CAPS"							
GENERAL GOVERNMENT FUNCTIONS:							
General Administration							
Salaries and Wages		185,255	185,255	155,332	29,923	-	-
Other Expenses		35,450	35,450	30,998	4,452	-	-
Mayor and Council							
Salaries and Wages		14,400	14,400	14,400	-	-	-
Other Expenses		44,300	24,300	18,208	6,092	-	-
Municipal Clerk							
Salaries and Wages		225,342	190,342	175,712	14,630	-	-
Other Expenses		51,050	51,050	50,306	744	-	-
Financial Administration							
Salaries and Wages		95,840	95,840	85,324	10,516	-	-
Other Expenses		34,992	34,992	29,506	5,486	-	-
Audit Services							
Other Expenses		23,000	23,000	2,650	20,350	-	-
Revenue Administration							
Salaries and Wages		22,750	22,750	22,413	337	-	-
Other Expenses		13,928	14,928	14,544	384	-	-
Tax Assessment Administration							
Salaries and Wages		28,213	28,213	27,000	1,213	-	-
Other Expenses		17,150	17,150	12,172	4,978	-	-
Legal Services							
Other expenses		61,000	81,000	66,667	14,333	-	-
Engineering Services and Costs							
Other Expenses		30,000	30,000	28,246	1,754	-	-

See Accompanying notes to financial statements.

Borough of Bradley Beach, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Overexpended
Architect Services and Costs							
Other Expenses		2,500	2,500	-	2,500		
<b>LAND USE ADMINISTRATION:</b>							
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Planning Board							
Salaries and Wages		5,947	5,947	5,684	262	-	-
Other Expenses		21,109	21,109	3,214	17,895	-	-
Zoning Board of Adjustments							
Salaries and Wages		5,947	5,947	5,684	262	-	-
Other Expenses		56,794	26,794	7,298	19,496	-	-
<b>CODE ENFORCEMENT AND ADMINISTRATION:</b>							
Other Code Enforcement Functions -							
(Code Enforcement Officer)							
Salaries and Wages		125,310	125,310	93,218	32,092		
Other Expenses		20,904	20,904	16,798	4,106		
<b>INSURANCE:</b>							
Surety Bond Premium		900	900	900	-		
Liability Insurance		96,700	96,700	94,556	2,144		
Worker Compensation Insurance		146,800	146,800	146,800	-		
Employee Group Insurance		911,752	981,752	930,200	51,552		
<b>PUBLIC SAFETY FUNCTIONS:</b>							
Police							
Salaries and Wages		2,182,154	2,150,154	2,052,695	97,459	-	-
Other Expenses		127,983	142,983	130,571	12,412	-	-
Police Dispatch/911							
Salaries and Wages		154,600	156,600	155,168	1,432	-	-
Other Expenses		3,600	3,600	333	3,067	-	-

See Accompanying notes to financial statements.

Borough of Bradley Beach, N.J.  
Statement of Expenditures - Regulatory Basis

General Appropriations	Ref.	Current Fund					Unexpended Balance Cancelled	Overexpended
		Year Ended December 31, 2020						
		Budget	Budget After Modification	Paid or Charged	Reserved			
Office of Emergency Management								
Salaries and Wages		8,500	8,500	8,185	315	-		
Other Expenses		2,500	2,500	2,497	3	-		
Aid to Volunteer Fire Companies		35,000	35,000	35,000	-	-		
Fire								
Salaries and Wages		3,000	3,000	-	3,000	-		
Other Expenses		84,319	84,319	61,241	23,078	-		
Fire Hydrants								
Other Expenses		37,500	37,500	27,821	9,679	-		
Fire Prevention Bureau								
Salaries and Wages		9,547	9,547	9,360	187	-		
Other Expenses		2,988	2,988	2,188	801	-		
Municipal Prosecutor								
Salaries and Wages		17,340	17,340	15,000	2,340	-		
Municipal Court								
Salaries and Wages		31,405	38,405	37,953	452	-		
Other Expenses		18,115	11,115	8,240	2,875	-		
Public Defender								
Salaries and Wages		7,500	7,500	4,800	2,700	-		
DEPARTMENT OF PUBLIC WORKS (STREETS & ROADS):								
Road Repair and Maintenance								
Salaries and Wages		659,164	699,164	696,325	2,839	-		
Other Expenses		102,746	112,746	103,284	9,462	-		
Solid Waste Collection:								
Garbage and Trash Removal								
Salaries and Wages		2,000	2,000	1,964	37	-		
Other Expenses		209,700	239,700	229,638	10,062	-		

See Accompanying notes to financial statements.

Borough of Bradley Beach, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund  
Year Ended December 31, 2020

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Overexpended
Recycling (P.L. 1987 Ch. 74) Other Expenses		6,732	6,732	3,608	3,124	-	-
Buildings and Grounds							
Salaries and Wages		29,920	39,920	33,306	6,614	-	-
Other Expenses		99,300	114,300	90,178	24,122	-	-
Vehicle Maintenance							
Other Expenses		126,000	106,000	65,967	40,033	-	-
<b>HEALTH AND HUMAN SERVICES FUNCTIONS:</b>							
Community Services Act							
Other Expenses		8,500	8,500	1,750	6,750	-	-
PEOSH - Hepatitis "B" Immunization							
Safety Regulators Coordinator		1,250	1,250	1,127	123	-	-
Environmental Commission							
Other Expenses		1,000	1,000	483	517	-	-
Animal Control Services							
Other Expenses		2,500	2,500	2,000	500	-	-
Contribution to Social Services Agencies							
Other Expenses		12,710	12,710	11,649	1,061	-	-
Parks and Recreation							
Other Expenses		8,500	8,500	6,045	2,455	-	-
<b>PARKS AND RECREATION FUNCTIONS:</b>							
Recreation							
Salaries and Wages		71,745	37,745	32,800	4,945	-	-
Other Expenses		38,386	13,386	12,218	1,168	-	-
Celebration of Public Events							
Other Expenses		24,000	24,000	7,206	16,794	-	-

See Accompanying notes to financial statements.



Borough of Bradley Beach, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Overexpended
Maintenance of Parks							
Salaries and Wages		5,000	5,000	-	5,000		
Other Expenses		38,850	38,850	21,449	17,401		
Senior Citizens Contributions							
Other Expenses		1,200	1,200	1,200	-		
Arts at the Beach							
Other Expenses		10,000	10,000	6,411	3,589		
Historical Museum Contribution							
Other Expenses		1,000	1,000	1,000	-		
Tourism							
Salaries and Wages		41,000	1,000	-	1,000		
UTILITY AD BULK PURCHASES:							
Electricity		47,000	57,000	44,337	12,663		
Street Lighting		67,000	67,000	59,850	7,150		
Telephone		23,500	21,500	14,086	9,414		
Heat-Gas		24,000	34,000	19,640	14,360		
Gasoline		45,000	45,000	37,648	7,352		
Telecommunications Costs		5,000	5,000	4,432	568		
Water		15,000	24,000	13,807	10,193		
UNIFORM CONSTRUCTION CODE -							
APPROPRIATIONS OFFSET BY DEDICATED							
REVENUES (N.J.A.C. 5:23-4.17)							
State Uniform Construction Code							
Construction Official		100,227	100,227	98,888	1,339		
Salaries and Wages		6,162	6,162	5,911	251		
Other Expenses							
TOTAL OPERATIONS (ITEM 8(A) WITHIN "CAPS"		6,843,475	6,843,475	6,217,286	626,189		

See Accompanying notes to financial statements.

Borough of Bradley Beach, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Overexpended
CONTINGENT							
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAPS"		6,843,475	6,843,475	6,217,286	626,189	-	-
DETAIL:							
Salaries and Wages	A-1	4,038,105	3,950,105	3,731,209	218,896	-	-
Other Expenses (Including Contingent)	A-1	2,805,370	2,893,370	2,486,077	407,293	-	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS"							
STATUTORY EXPENDITURES:							
Contribution to:							
Public Employees' Retirement System		165,217	165,217	155,686	9,531	-	-
Social Security System (O.A.S.I.)		157,000	172,000	167,780	4,220	-	-
Consolidated Police and Firemen's Retirement System of NJ		12,000	12,000	11,026	974	-	-
Police and Firemen's Retirement System of NJ		628,376	628,376	628,376	-	-	-
Unemployment Compensation Insurance		10,000	10,000	-	10,000	-	-
Administrative Fees (PFRS)		200	200	76	124	-	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	A-1	972,793	987,793	962,944	24,849	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"		7,816,268	7,831,268	7,180,230	651,039	-	-
OPERATIONS - EXCLUDED FROM "CAPS"							
Emergency Services Volunteer		15,000	-	-	-	-	-
Length of Service Award Program		472,734	472,734	434,156	38,577	-	-
Maintenance of Free Public Library							
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"		487,734	472,734	434,156	38,577	-	-

See Accompanying notes to financial statements.

Borough of Bradley Beach, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Overextended
<b>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>							
Municipal Court Services							
Borough of Avon		35,000	35,000	35,000	-	-	-
Borough of Allenhurst		49,000	49,000	49,000	-	-	-
<b>TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</b>		<b>84,000</b>	<b>84,000</b>	<b>84,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>							
Matching Funds for Grants		5,000	5,000	5,000	-	-	-
Green Acres Lot, Parking Meters, Parks & Playgrounds		-	-	-	-	-	-
Body Armor Grant		2,011	2,011	2,011	-	-	-
Clean Communities Grant		-	12,109	12,109	-	-	-
Monmouth County Cares Act Reimbursement		-	164,796	164,796	-	-	-
<b>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>		<b>7,011</b>	<b>183,916</b>	<b>183,916</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>		<b>578,744</b>	<b>740,649</b>	<b>702,072</b>	<b>38,577</b>	<b>-</b>	<b>-</b>
DETAIL:							
Salaries and Wages	A-1	-	-	-	-	-	-
Other Expenses	A-1	578,744	740,649	702,072	38,577	-	-
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>							
Down Payments on Improvements							
Capital Improvement Fund		30,000	30,000	30,000	-	-	-
Fire Company Covid Purchase		15,000	15,000	-	-	15,000	-
Police Purchase of Message Board Covid 19		20,000	20,000	-	-	20,000	-
<b>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>	A-1	<b>65,000</b>	<b>65,000</b>	<b>30,000</b>	<b>-</b>	<b>35,000</b>	<b>-</b>

See Accompanying notes to financial statements.

Borough of Bradley Beach, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Overexpended
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>							
Payment of Bond Principal		410,000	410,000	410,000	XXXXXXXXXX		
Payment of Bond Anticipation and Capital Notes		167,000	167,000	167,000	XXXXXXXXXX		
Interest on Bonds		116,250	116,250	116,250	XXXXXXXXXX		
Interest on Notes		27,500	27,500	17,783	XXXXXXXXXX	9,712	
<b>Green Trust Loan Program:</b>							
Loan Repayments for Principal and Interest		24,634	24,634	24,364	XXXXXXXXXX	270	
<b>Bar Sale 3-25-20</b>							
Principal		-	-	-			
Interest		21,000	21,000		XXXXXXXXXX	21,000	
<b>Capital Lease Obligations</b>							
Principal		117,000	117,000	69,016	XXXXXXXXXX	47,983	
Interest		16,870	16,870	16,854	XXXXXXXXXX	16	
<b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	A-1	900,254	900,254	821,273	-	78,981	-

See Accompanying notes to financial statements.

Borough of Bradley Beach, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Overexpended
General Appropriations							
TOTAL GENERAL APPROPRIATIONS FOR MUN. PURPOSES EXCLUDED FROM "CAPS"		1,543,999	1,705,904	1,553,345	38,577	113,981	-
TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"		1,543,999	1,705,904	1,553,345	38,577	113,981	-
SUBTOTAL GENERAL APPROPRIATIONS		9,350,267	9,537,172	8,733,575	689,616	113,981	-
RESERVE FOR UNCOLLECTED TAXES		489,982	489,982	489,982	XXXXXXXX	-	-
TOTAL GENERAL APPROPRIATIONS		9,850,249	10,027,154	9,223,557	689,616	113,981	-
					A	A-1	
ADOPTED BUDGET	A-2		9,850,249				
APPROPRIATION BY 40A:4-87	A-2		176,905				
			10,027,154				
RESERVE FOR UNCOLLECTED TAXES	A-2			489,982			
RESERVE FOR ENCUMBRANCES	A-12			79,695			
INTERFUND-FEDERAL AND STATE GRANT FUND DISBURSED	A-19 A-4			183,916 8,469,964			
				9,223,557			

See Accompanying notes to financial statements.

## Borough of Bradley Beach, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Fund

December 31, 2020

With Comparative Figures for 2019

	<u>Ref.</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2019</u>
<b><u>ASSETS</u></b>			
<b>Animal Control Trust Fund:</b>			
Cash	B-1	<u>2,373</u>	<u>3,274</u>
<b>Other Trust Funds:</b>			
Cash	B-1	680,852	651,256
Other Receivables	B-4	<u>259</u>	<u>259</u>
		<u>681,111</u>	<u>651,515</u>
		<u>683,484</u>	<u>654,789</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
<b>Animal Control Trust Fund:</b>			
Reserve for Animal Control Fund Expenditures	B-3	<u>2,373</u>	<u>3,274</u>
		<u>2,373</u>	<u>3,274</u>
<b>Other Trust Funds:</b>			
Interfund Payable - Current Fund	B-5	26,093	17,446
Other Trust Reserves	B-6	<u>655,018</u>	<u>634,069</u>
		<u>681,111</u>	<u>651,515</u>
		<u>683,484</u>	<u>654,789</u>

See accompanying notes to financial statements.

## Borough of Bradley Beach, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2020

With Comparative Figures for 2019

	<u>Ref.</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2019</u>
<u>Assets</u>			
Cash	C-2, C-3	452,012	528,293
Deferred Charges to Future Taxation:			
Funded	C-4	2,078,215	2,510,382
Unfunded	C-5	3,012,299	1,754,299
Accounts Receivable	C-6	460,026	498,276
Interfund Receivables:			
Current Fund	C-7	110,422	
Obligations Under Capital Lease-Unfunded	C-8	263,000	380,000
		<u>6,375,974</u>	<u>5,671,250</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-9	1,985,000	2,395,000
Bond Anticipation Notes	C-10	2,516,000	1,283,000
Capital Lease Obligation Payable	C-11	263,000	380,000
Due to State of New Jersey Green Trust Loan	C-12	93,215	115,382
Improvement Authorizations:			
Funded	C-13	493,723	233,988
Unfunded	C-13	434,982	551,074
Capital Improvement Fund	C-14	82,827	142,827
Reserve for Encumbrances	C-15	80,922	76,032
Reserve for Receivable	C-16	155,026	155,026
Various Reserves	C-17	188,219	255,861
Capital Fund Balance	C-1	83,060	83,060
		<u>6,375,974</u>	<u>5,671,250</u>

See accompanying notes to financial statements.

There were bonds and notes authorized but not issued at December 31, 2020  
2019 of \$496,299 and \$471,299 respectively per Exhibit C-18.



**Exhibit C-1**

**Borough of Bradley Beach, N.J.**

**Statement of General Capital Fund Balance - Regulatory Basis**

**General Capital Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	C	<u>83,060</u>
Balance - December 31, 2020	C, C-3	<u>83,060</u>

See accompanying notes to financial statements.

Borough of Bradley Beach, N.J.

Comparative Balance Sheet - Regulatory Basis

Beach Utility Fund

December 31, 2020

With Comparative Figures for 2019

<u>ASSETS</u>	<u>Ref</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2019</u>
<b>Operating Fund:</b>			
Cash	D-5	2,078,395	718,881
Interfund Receivables:			
Beach Utility Capital Fund	D-7	<u>856</u>	<u>          </u>
		<u>2,079,251</u>	<u>718,881</u>
 <b>Capital Fund:</b>			
Cash	D-5, D-6	854,994	854,607
Fixed Capital	D-8	6,567,880	6,567,880
Fixed Capital Authorized and Uncompleted	D-9	<u>152,651</u>	<u>152,651</u>
		<u>7,575,525</u>	<u>7,575,138</u>
		<u>9,654,776</u>	<u>8,294,019</u>

See accompanying notes to financial statements.

There were bonds and notes authorized and not issued at December 31, 2020  
and 2019 of \$132,782 and \$132,782 respectively as per Exhibit D-24.

Borough of Bradley Beach, N.J.  
Comparative Balance Sheet - Regulatory Basis

Beach Utility Fund

December 31, 2020

With Comparative Figures for 2019

	Ref	Balance Dec. 31, 2020	Balance Dec. 31, 2019
<b><u>LIABILITIES, RESERVES AND SURPLUS</u></b>			
<b>Operating Fund:</b>			
Appropriation Reserves	D-4, D-10	128,306	78,788
Reserve for Encumbrances	D-11	12,587	7,497
Accrued Interest on Bonds and Notes	D-12	9,729	10,983
Prepaid Beach Badges	D-13	487,525	183,613
Various Reserves	D-14	80,215	82,579
Interfund Payables:			
Current Fund	D-7	231,003	66,496
		949,365	429,956
Reserve for Receivables	Contra		
Operating Fund Balance	D-1	1,129,886	288,925
		2,079,251	718,881
<b>Capital Fund:</b>			
Interfund Payables:			
Beach Utility Operating Fund	D-18	856	
Serial Bonds	D-15	935,000	1,045,000
Bond Anticipation Notes	D-16	433,000	514,000
Improvement Authorizations:			
Funded	D-17	11,341	11,810
Unfunded	D-17	137,782	137,782
Encumbrances Payable	D-19	2,873	2,873
Capital Improvement Fund	D-20	35,400	35,400
Various Reserves	D-21	770,298	770,298
Reserve for:			
Amortization	D-22	2,747,340	2,637,340
Deferred Amortization	D-23	2,469,103	2,388,103
Surplus	D-2	32,532	32,532
		7,575,525	7,575,138
		9,654,776	8,294,019

See accompanying notes to financial statements.

## Borough of Bradley Beach, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Beach Utility Fund

December 31, 2020

With Comparative Figures for 2019

	Ref.	2020	2019
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Surplus Utilized	D-1	212,000	168,164
Beach Badges	D-3	2,452,183	1,558,917
Concession Rents	D-3	68,786	80,500
Parking Meters	D-3	139,283	93,617
Beach Locker Fees	D-3	106,840	81,590
Beach Utility Capital Reserve FEMA			82,000
Non-Budget Revenue	D-3	15,936	23,026
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-10	67,828	71,702
Total Income		3,062,856	2,159,516
<u>EXPENDITURES</u>			
Operating			
Salaries and Wages	D-4	1,201,000	1,070,914
Other Expenses	D-4	476,000	479,299
Debt Service	D-4	251,895	253,589
Deferred Charges and Statutory Expenditures	D-4	81,000	81,000
Total Expenditures		2,009,895	1,884,802
Statutory Excess to Fund Balance		1,052,961	274,714
FUND BALANCE - JANUARY 1,	D	288,925	182,375
Decreased by:		1,341,886	457,089
Utilization as Anticipated Revenue	D-1	212,000	168,164
FUND BALANCE - DECEMBER 31,	D	1,129,886	288,925

See accompanying notes to financial statements.

**Borough of Bradley Beach, N.J.**  
**Statement of Capital Fund Balance - Regulatory Basis**  
**Beach Utility Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	D	<u>32,532</u>
Balance - December 31, 2020	D	<u>32,532</u>

See accompanying notes to financial statements.

## Borough of Bradley Beach, N.J.

## Statement of Revenues - Regulatory Basis

## Beach Utility Operating Fund

December 31, 2020

	Ref.	Budget	Realized	Excess or (Deficit)*
Surplus Utilized	D-1	212,000	212,000	-
Bathing Badges	D-1	1,558,917	2,452,183	893,266
Concession Rents	D-1	75,000	68,786	(6,214)
Locker Rental Maintenance Fees	D-1	81,590	106,840	25,250
Parking Meter Fees	D-1	85,001	139,283	54,282
Budget Totals		2,012,508	2,979,092	966,584
Non-Budget Revenue	D-1		15,936	15,936
		<u>2,012,508</u>	<u>2,995,028</u>	<u>982,520</u>
Analysis of Bathing Badges:				
Cash Collections	D-5		2,268,570	
Prior Year Prepaids	D-13		<u>183,613</u>	
			<u>2,452,183</u>	
Analysis of Non-Budget Revenue:				
Interest on Investments:				
Beach Operating Fund	D-5	7,432		
Beach Capital Fund	D-7	<u>856</u>		
			8,288	
Gazebo Rentals		4,520		
ATM Machines		2,268		
Check Fee		60		
Gazebo Parking Spaces		300		
Sign Sponsorship		<u>500</u>		
	D-5		<u>7,648</u>	
			<u>15,936</u>	

See accompanying notes to financial statements.

## Borough of Bradley Beach, N.J.

## Statement of Expenditures - Regulatory Basis

## Beach Utility Operating Fund

December 31, 2020

Ref.	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
D-1	1,201,000	1,201,000	1,171,632	29,368	-
D-1	476,000	476,000	379,720	96,280	-
Total Operations	1,677,000	1,677,000	1,551,352	125,648	-
Debt Service:					
Payment of Bond Principal	110,000	110,000	110,000	-	-
Payment of Bond Anticipation Notes and Capital Notes	81,000	81,000	81,000	-	-
Interest on Bonds	51,150	51,150	51,150	-	-
Interest on Notes	12,358	12,358	9,745	-	2,613
Total Debt Service	254,508	254,508	251,895	-	2,613
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System	79,000	79,000	78,342	658	-
Unemployment Compensation Insurance	2,000	2,000	-	2,000	-
Total Deferred Charges and Statutory Expenditures	81,000	81,000	78,342	2,658	-
Grand Total	2,012,508	2,012,508	1,881,589	128,306	2,613
				D	
Ref.					
D-11			12,587		
D-12			63,508		
D-5			1,805,494		
			1,881,589		

See accompanying notes to financial statements.



Borough of Bradley Beach, N.J.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31, 2020

With Comparative Figures for 2019

<u>ASSETS</u>	<u>Ref</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2019 (Restated)</u>
<b>Operating Fund:</b>			
Cash	E-5	2,688,156	2,300,177
Interfund:			
Sewer Utility Capital Fund	E-7	8,247	
		<u>2,696,403</u>	<u>2,300,177</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	E-8	63,299	71,287
		<u>63,299</u>	<u>71,287</u>
		<u>2,759,702</u>	<u>2,371,464</u>
<b>Capital Fund:</b>			
Cash	E-5, E-6	784,139	756,510
Due From NJ Infrastructure Bank	E-27	14,399	
Fixed Capital	E-9	4,662,386	4,662,386
Fixed Capital Authorized and Uncompleted	E-10	2,850,000	2,850,000
		<u>8,310,924</u>	<u>8,268,896</u>
		<u>11,070,626</u>	<u>10,640,360</u>

See accompanying notes to financial statements.

There were bonds and notes authorized and not issued at December 31, 2020  
and 2019 of \$2,495,000 and \$2,495,000 respectively as per Exhibit E-28.

Borough of Bradley Beach, N.J.  
Comparative Balance Sheet - Regulatory Basis  
Sewer Utility Fund  
December 31, 2020  
With Comparative Figures for 2019

	Ref	Balance Dec. 31, 2020	Balance Dec. 31, 2019 (Restated)
<b><u>LIABILITIES, RESERVES AND SURPLUS</u></b>			
<b>Operating Fund:</b>			
Appropriation Reserves	E-4, E-11	218,159	242,974
Reserve for Encumbrances	E-12	9,975	14,996
Sewer Rent Overpayments	E-13	53,901	919
Prepaid Sewer Rents	E-14	63,288	7,531
Accrued Interest on Bonds and Notes	E-15	7,530	6,692
Miscellaneous Reserves	E-16	96,000	50,000
		448,853	323,112
Reserve for Receivables	Contra	63,299	71,287
Operating Fund Balance	E-1	2,247,550	1,977,065
		2,759,702	2,371,464
<b>Capital Fund:</b>			
Serial Bonds	E-17	640,000	670,000
Bond Anticipation Notes	E-18	275,000	315,000
Note Payable - NJ Infrastructure Bank	E-18A	1,952,123	1,732,892
Loan Payable - NJ Infrastructure Bank	E-19	364,039	
Interfund:			
Sewer Operating Fund	E-20	8,247	
Improvement Authorizations:			
Unfunded	E-21	337,160	346,492
Contracts Payable	E-22	100,614	651,518
Capital Improvement Fund	E-23	191,252	191,252
Various Reserves	E-24	284,829	284,829
Reserve for:			
Amortization	E-25	3,942,133	3,861,386
Deferred Amortization	E-26	171,000	171,000
Surplus	E-2	44,527	44,527
		8,310,924	8,268,896
		11,070,626	10,640,360

See accompanying notes to financial statements.

## Borough of Bradley Beach, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Sewer Utility Operating Fund

December 31, 2020

With Comparative Figures for 2019

	Ref.	2020	2019 (Restated)
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Surplus Utilized	E-1	325,000	120,771
Sewer Rents	E-3	1,818,716	1,980,981
Non-budget revenue	E-3	23,302	44,516
Other Credits to Income:			
Cancellation of Encumbrances	E-12	9,995	
Unexpended Balance of Appropriation Reserves	E-11	242,974	110,862
Total Income		2,419,987	2,257,130
<u>EXPENDITURES</u>			
Operating			
Salaries and Wages	E-4	326,000	347,480
Other Expenses	E-4	1,075,409	1,245,346
Capital Improvements	E-4		94,000
Debt Service	E-4	123,318	109,378
Deferred Charges and Statutory Expenditures	E-4	99,775	87,646
Surplus (General Budget)	E-4	200,000	
Prior Year Cancellations			40,000
Total Expenditures		1,824,502	1,923,850
Statutory Excess to Surplus		595,485	333,280
FUND BALANCE - JANUARY 1,	E	1,977,065	1,764,556
		2,572,550	2,097,836
Decreased by:			
Utilization by Water Operating Budget	E-1	325,000	120,771
FUND BALANCE - DECEMBER 31,	E	2,247,550	1,977,065

See accompanying notes to financial statements.

**Borough of Bradley Beach, N.J.**  
**Statement of Capital Fund Balance - Regulatory Basis**  
**Sewer Utility Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	E	<u>44,527</u>
Balance - December 31, 2020	E	<u>44,527</u>

See accompanying notes to financial statements.

**Borough of Bradley Beach, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Sewer Utility Operating Fund**  
**December 31, 2020**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)*</u>
Surplus Utilized	E-1	325,000	325,000	-
Sewer Rents	E-1	1,640,884	1,818,716	177,832
Budget Totals		1,965,884	2,143,716	177,832
Non-Budget Revenue	E-1		23,302	23,302
		<u>1,965,884</u>	<u>2,167,018</u>	<u>201,134</u>
Analysis of Sewer Rents:				
Consumer Accounts Receivable				
Collected	E-8	1,811,185		
Prepayments Applied	E-8	<u>7,531</u>		
			<u>1,818,716</u>	
Analysis of Non-Budget Revenue:				
Interest on Investments:				
Sewer Capital Fund	E-7	8,247		
Sewer Operating Fund	E-5	<u>5,267</u>		
			13,514	
Interest on Delinquent Accounts	E-5		<u>9,788</u>	
			<u>23,302</u>	

See accompanying notes to financial statements.

## Borough of Bradley Beach, N.J.

## Statement of Expenditures - Regulatory Basis

## Sewer Utility Operating Fund

December 31, 2020

Ref.	Appropriated		Expended		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>Operating:</b>					
Salaries and Wages	326,000	326,000	309,952	16,048	-
Other Expenses	352,800	352,800	186,147	166,653	-
Sewer Service Agreement - Neptune Township Sewerage Authority	722,609	722,609	708,440	14,169	-
<b>Total Operations</b>	1,401,409	1,401,409	1,204,539	196,870	-
<b>Debt Service:</b>					
Payment of Bond Principal	30,000	30,000	30,000	-	-
Interest on Bonds	30,000	30,000	30,000	-	-
Interest on Notes	7,700	7,700	7,700	-	-
Payment of Bond Anticipation Notes	40,000	40,000	40,000	-	-
NJETT Principal and Interest	157,000	157,000	15,618	-	141,382
<b>Total Debt Service</b>	264,700	264,700	123,318	-	141,382
<b>Deferred Charges and Statutory Expenditures:</b>					
Statutory Expenditures:					-
Public Employees' Retirement System	54,775	54,775	54,775	-	-
Social Security System	30,000	30,000	23,711	6,289	-
Unemployment Compensation Insurance	15,000	15,000	-	15,000	-
Total Deferred Charges and Statutory Expenditures	99,775	99,775	78,486	21,289	-
<b>Surplus (General Budget)</b>					
	200,000	200,000	200,000	-	-
<b>Grand Total</b>	1,965,884	1,965,884	1,606,343	218,159	141,382
				E	E-1
Ref.					
E-12			9,975		
E-15			37,700		
E-5			1,558,668		
			1,606,343		

See accompanying notes to financial statements.

**Exhibit F**

**Borough of Bradley Beach, N.J.**

**Balance Sheet - Regulatory Basis**

**Public Assistance Fund**

**December 31, 2020**

**With Comparative Figures for 2019**

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Cash	F-1	<u>4,900</u>	<u>4,889</u>
		<u>4,900</u>	<u>4,889</u>
<u>Liabilities</u>			
Interfund Payable:			
Current Fund	F-3	11	
Reserve For Public Assistance	F-4	<u>4,889</u>	<u>4,889</u>
		<u>4,900</u>	<u>4,889</u>

See accompanying notes to financial statements.

**Exhibit G****Borough of Bradley Beach, N.J.****Statement of General Fixed Assets - Regulatory Basis****December 31, 2020**

	<b><u>Balance</u></b> <b><u>Dec. 31, 2020</u></b>	<b><u>Balance</u></b> <b><u>Dec. 31, 2019</u></b> <b><u>(Restated)</u></b>
<b><u>Assets</u></b>		
General Fixed Assets:		
Land	27,175,900	25,875,900
Buildings	6,087,100	6,087,100
Equipment	2,050,553	2,030,703
Vehicles	3,935,090	3,935,090
	<u>39,248,643</u>	<u>37,928,793</u>
<b><u>Liabilities</u></b>		
Investment in General Fixed Assets	<u>39,248,643</u>	<u>37,928,793</u>

See accompanying notes to financial statements.



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Bradley Beach have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Borough of Bradley Beach (the "Borough") is located in Monmouth County, along the New Jersey coastline, approximately 60 miles south of the City of New York. The population, according to the 2010 census, is 4,298.

The Borough of Bradley Beach operates under the Borough small Mayor/Council form of government consisting of four (4) council members and a mayor. The mayor is a voting member of the Governing Body. The financial statements of the Borough of Bradley Beach do not include the operations of the municipal library, first aid organization or volunteer fire company.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

A. Reporting Entity, (continued)

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department, the municipal library or the first aid organization which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund – Encompasses resources and expenditures for basic governmental operations. Fiscal activities of federal, state, county and local grant programs are reflected in a segregated section of the Current Fund.

Trust Funds – The records of receipts, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, Trust Other Fund, Tourism Trust Fund and Public Assistance Trust Fund. The Payroll Trust Fund – Accounts for the net salaries, payroll deductions and social security contribution of municipal and utility operations.

General Capital Fund This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Utilities Funds – Beach and Sewer Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

Capital Asset Account -- This account reflects estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Bradley Beach. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month in the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures in the Current Fund and Beach and Sewer Operating Funds. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Funds
- Public Assistance Fund
- Beach Utility Capital Fund
- Sewer Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2020, the Mayor and Council approved additional revenues and appropriations of \$176,905 in accordance with N.J.S.A. 40A:4-87 in addition several budget transfers were approved by the Governing Body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

Basis of Accounting, (continued)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - Stationary, postage and photocopy supplies for all funds are purchased through Central Supply and charged to departments as requisitioned. The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Bradley Beach has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

During the calendar year 2020, the Borough hired Acclaim Inventory LLC to perform a fixed asset inventory of the Borough's General Fixed Assets. The Acclaim report added items that were missing in the previous General Fixed Asset Inventory report, specifically the historical value of the Borough's Boardwalk. The 2019 Fixed Assets were restated to reflect these changes.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

For the year ended December 31, 2018, the Borough adopted Government Accounting Standards Board GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Borough.

For the year ended December 31, 2019, the Borough adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements and notes to financial statements because their inclusion would make certain statements and notes to financial statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2020, \$-0- of the Borough's bank balance of \$12,041,471 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of December 31, 2020, and 2019 the Borough had \$-0- and \$-0-, respectively, on deposit with the New Jersey Cash Management Fund.

**Concentration of Credit Risk**

The Borough places no limit on the amount the Borough may invest in any one issuer.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2020 and 2019 consisted of the following:

	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Obligation Debt	\$2,395,000	\$	\$410,000	\$1,985,000	\$435,000
Beach Utility	1,045,000		110,000	935,000	115,000
Sewer Utility	670,000		30,000	640,000	30,000
Deferred Pension Contribution:					
PERS	4,055,331		336,629	3,718,702	
PFRS	7,612,980		418,572	7,194,408	
Other Liabilities:					
Compensated Absences Payable	1,298,149	779,084		2,077,233	
Capital Lease Payable	380,000		117,000	263,000	75,000
NJIB Loans		374,786	10,747	364,039	21,120
Green Trust Loan	115,382		22,167	93,215	22,613
NJIB Note	<u>1,732,892</u>	<u>219,231</u>		<u>1,952,123</u>	
	<u>\$19,304,734</u>	<u>\$1,373,101</u>	<u>\$1,455,115</u>	<u>\$19,222,720</u>	<u>\$698,733</u>

	<u>Balance Dec. 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Obligation Debt	\$2,790,000	\$	\$395,000	\$2,395,000	\$410,000
Beach Utility	1,150,000		105,000	1,045,000	110,000
Sewer Utility	700,000		30,000	670,000	30,000
Deferred Pension Contribution:					
PERS	3,559,078	496,253		4,055,331	
PFRS	7,863,492		250,512	7,612,980	
Other Liabilities:					
Compensated Absences Payable	1,746,810		448,661	1,298,149	
Capital Lease Payable	517,000		137,000	380,000	117,000
NJIB Note	583,995	1,148,897		1,732,892	
Green Trust Loan	<u>137,112</u>		<u>21,730</u>	<u>115,382</u>	<u>22,167</u>
	<u>\$19,047,487</u>	<u>\$1,645,150</u>	<u>\$1,387,903</u>	<u>\$19,304,734</u>	<u>\$689,167</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued:</u>			
General:			
Bonds, Loans and Notes	\$4,594,215	\$3,793,382	\$3,708,112
Beach Utility:			
Bonds, Loans and Notes	1,368,000	1,559,000	1,865,000
Sewer Utility:			
Bonds and Notes	<u>3,231,162</u>	<u>2,717,892</u>	<u>1,638,995</u>
Total Debt Issued	<u>9,193,377</u>	<u>8,070,274</u>	<u>7,212,107</u>
 <u>Authorized But Not Issued:</u>			
General:			
Bonds and Notes	496,299	471,298	1,060,023
Beach Utility:			
Bonds and Notes	132,782	132,789	320,000
Sewer Utility:			
Bonds and Notes	<u>2,495,000</u>	<u>2,495,000</u>	<u>2,495,000</u>
Total Authorized But Not Issued	<u>3,124,081</u>	<u>3,099,087</u>	<u>3,875,023</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$12,317,458</u>	<u>\$11,169,361</u>	<u>\$11,087,130</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .361% for 2020.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$488,000	\$488,000	\$0
General Debt	5,090,514		5,090,514
Beach Utility	1,500,782	1,500,782	0
Sewer Utility	<u>5,726,162</u>	<u>5,726,162</u>	<u>0</u>
	<u>\$12,805,458</u>	<u>\$7,714,944</u>	<u>\$5,090,514</u>

Net debt of \$5,090,514 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,411,834,531 equals .361% for 2020.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.310% for 2019.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$638,000	\$638,000	\$0
General Debt	4,264,681	155,026	4,109,655
Beach Pool Utility	1,691,786	1,691,786	0
Sewer Utility	<u>3,480,000</u>	<u>3,480,000</u>	<u>0</u>
	<u>\$10,074,467</u>	<u>\$5,964,812</u>	<u>\$4,109,655</u>

Net debt of \$4,109,655 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,326,375,783 equals 0.310% for 2019.

Borrowing Power Available Under N.J.S.A. 40A:2-6 as Amended

	<u>2020</u>	<u>2019</u>
3 ½% of equalized valuation basis (municipal)	\$49,414,209	\$46,423,153
Net Debt	<u>5,090,514</u>	<u>4,109,655</u>
Remaining borrowing power	<u>\$44,323,695</u>	<u>\$42,313,498</u>

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Calculation of "Self-Liquidating Purpose", Beach Utility Per N.J.S.A. 40A:2-45

	<u>2020</u>	<u>2019</u>
Cash receipts from fees, rents or other charges for year	<u>\$2,995,028</u>	<u>\$2,087,813</u>
Deductions:		
Operating and Maintenance Cost	1,758,000	1,631,213
Debt Service	<u>251,895</u>	<u>253,589</u>
Total Deductions	<u>2,009,895</u>	<u>1,884,802</u>
Excess in Revenue - Self-Liquidating	<u>\$985,133</u>	<u>\$203,011</u>

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S.A. 40A:2-45

	<u>2020</u>	<u>2019</u>
Cash receipts from fees, rents or other charges for year	<u>\$2,167,018</u>	<u>\$2,146,268</u>
Deductions:		
Operating and Maintenance Cost	1,501,184	1,680,472
Debt Service Per Sewer Utility	<u>123,318</u>	<u>227,749</u>
Total Deductions	<u>1,624,502</u>	<u>1,908,221</u>
Excess in Revenue – Self-Liquidating	<u>\$542,516</u>	<u>\$238,047</u>

There being an excess in revenue for the beach and sewer utilities, the funds were self-liquidating and therefore, for purposes of the annual debt statement and resultant net debt calculation, all the related debt is deductible.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's long-term debt consisted of the following at December 31, 2020:

General Serial Bonds

\$1,030,000 2014 Monmouth County Improvement Authority ("MCIA") General Improvement Bonds final installment due on December 1, 2030 with maturities ranging from \$60,000 to \$90,000 at interest rates ranging from 4.00% to 5.00%	\$730,000
\$780,000 2014 MCIA - General Improvement (Library Improvement) Bonds final installment due on December 1, 2034 with maturities ranging from \$30,000 to \$50,000 at interest rates ranging from 3.25% to 5.00%	550,000
\$1,665,000 2016 MCIA Refunding Bonds final installment due on December 1, 2022 with maturities ranging from \$315,000 to \$360,000 at interest rate of 5.00%	705,000
	<u>\$1,985,000</u>

Beach Utility Capital Fund Serial Bonds

\$1,525,000 2014 MCIA Beach Improvement Bonds final installment due on December 1, 2027 with maturities ranging from \$115,000 to \$155,000 at interest rate of 5.00%	\$935,000
	<u>\$935,000</u>

Sewer Utility Capital Fund Serial Bonds

\$820,000 2014 MCIA Sewer Improvement Bonds final installment due on December 1, 2034 with maturities ranging from \$30,000 to \$60,000 at interest rates ranging from 3.25% to 5.00%	\$640,000
	<u>\$640,000</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Aggregate debt service requirements during the next five years and thereafter are as follows:

General Bonds

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$531,550	\$435,000	\$96,550
2022	524,800	450,000	74,800
2023	147,300	95,000	52,300
2024	142,550	95,000	47,550
2025	147,800	105,000	42,800
2026-2030	739,500	610,000	129,500
2031-2034	<u>212,175</u>	<u>195,000</u>	<u>17,175</u>
Total	<u>\$2,445,675</u>	<u>\$1,985,000</u>	<u>\$460,675</u>

Beach Utility Capital Fund

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$161,760	\$115,000	\$46,760
2022	161,000	120,000	41,000
2023	160,000	125,000	35,000
2024	163,750	135,000	28,750
2025	162,000	140,000	22,000
2026-2027	<u>322,750</u>	<u>300,000</u>	<u>22,750</u>
Total	<u>\$1,131,260</u>	<u>\$935,000</u>	<u>\$196,260</u>

Sewer Utility Capital Fund

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$58,800	\$30,000	\$28,800
2022	62,300	35,000	27,300
2023	60,550	35,000	25,550
2024	63,800	40,000	23,800
2025	61,800	40,000	21,800
2026-2030	307,250	230,000	77,250
2031-2034	<u>250,250</u>	<u>230,000</u>	<u>20,250</u>
Total	<u>\$864,750</u>	<u>\$640,000</u>	<u>\$224,750</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

General capital and assessment serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or assessment revenues.

Bonds and Notes Authorized but not Issued

At December 31, 2020, the Borough had authorized but not issued debt as follows:

General Capital Fund	\$496,299
Beach Utility Capital Fund	133,782
Sewer Utility Capital Fund	<u>2,495,000</u>
	<u><u>\$3,125,081</u></u>

Green Trust Loan – General Capital Fund

The Borough has a \$400,000 loan from the State of New Jersey Department of Environmental Protection (NJDEP) for parks, playgrounds and recreational improvements at 2.00% interest with a final maturity on September 22, 2024. The semi-annual payments range from \$11,028 to \$12,062. Repayment for the next five (5) years is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2021	\$24,365	\$22,613	\$1,752
2022	24,364	23,067	1,297
2023	24,365	23,531	834
2024	24,244	24,004	240
2025	<u>0</u>		
Total	<u><u>\$97,338</u></u>	<u><u>\$93,215</u></u>	<u><u>\$4,123</u></u>

NJI-Bank Loan Sewer Utility Improvement

The Borough is a participant in a Sewer Infrastructure Improvement Program (Improvement Authorization #17-11) in conjunction with the State of New Jersey DEP, a financing program provided by the New Jersey Infrastructure Bank ("NJIBank"). The loans are at net, favorable interest rates and funds are provided by the federal and state governments. The maximum amount is \$2,850,000. The closing on the loan(s) are expected to occur in the next few years and financing will be long term. Funds have been advanced in the amount of \$1,952,123.



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 4. BOND ANTICIPATION NOTES**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2020 and 2019, the Borough had \$2,516,000 and \$1,283,000, respectively, in outstanding General Capital Bond anticipation notes. The Borough also had \$433,000 and \$514,000, respectively, in outstanding Beach Utility Capital Notes and \$275,000 and \$315,000, respectively in Sewer Utility Capital Notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2020 and 2019:

<u>2020</u>	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2020</u>
General Capital Notes Payable	\$1,283,000	\$1,400,000	\$167,000	\$2,516,000
Beach Utility Capital Notes Payable	514,000		81,000	433,000
Sewer Utility Capital Notes Payable	<u>315,000</u>	<u>          </u>	<u>40,000</u>	<u>275,000</u>
	<u>\$2,112,000</u>	<u>\$1,400,000</u>	<u>\$288,000</u>	<u>\$3,224,000</u>
<u>2019</u>	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2020</u>
General Capital Notes Payable	\$781,000	\$603,000	\$101,000	\$1,283,000
Beach Utility Capital Notes Payable	715,000		201,000	514,000
Sewer Utility Capital Notes Payable:				
JP Morgan Securities, LLC	<u>355,000</u>	<u>          </u>	<u>40,000</u>	<u>315,000</u>
	<u>\$1,851,000</u>	<u>\$603,000</u>	<u>\$342,000</u>	<u>\$2,112,000</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 5. LEASES**

Monmouth County Improvement Borough (MCIA) – The Borough entered into various equipment lease programs with MCIA. The leases are for various equipment that is owned by the MCIA and to which the Borough has a bargain purchases option at the end of the lease period in the amount of \$1.00.

Operating Leases – The Borough entered into lease agreement for various vehicles funded through the MCIA Capital Equipment and Improvement Revenue Bond Series 2011, Series 2013, Series 2015 and Series 2017.

The principal and interest are provided in the Current Fund Budget are as follows:

Debt Service – MCIA

<u>Year</u>	<u>2011</u>		<u>2013</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$6,000	\$300	\$37,000	\$4,640
2022			39,000	3,160
2023			40,000	1,600
	<u>\$6,000</u>	<u>\$300</u>	<u>\$116,000</u>	<u>\$9,400</u>

<u>Year</u>	<u>2015</u>		<u>2017</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$10,000	\$2,470	\$22,000	\$3,970	\$75,000	\$11,380
2022	11,000	1,970	22,000	2,870	72,000	8,000
2023	11,000	1,750	8,000	1,770	59,000	5,120
2024	12,000	1,200	8,000	1,570	20,000	2,770
2025	12,000	600	8,000	1,170	20,000	1,770
2026			8,000	850	8,000	850
2027			9,000	450	9,000	450
	<u>\$56,000</u>	<u>\$7,990</u>	<u>\$85,000</u>	<u>\$12,650</u>	<u>\$263,000</u>	<u>\$30,340</u>

Continuing Disclosure Requirements

As a result of the lease agreements with the Monmouth County Improvement Borough, the Borough is not obligated to comply with the Securities and Exchange Commission Rule 15c2-12.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 6. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2020, which has been appropriated as revenue in the 2021 budget is as follows:

Current Fund	\$1,100,000
Beach Utility Operating Fund	600,000
Sewer Utility Operating Fund	<u>356,000</u>
	<u><u>\$2,056,000</u></u>

**NOTE 7. LOCAL DISTRICT SCHOOL TAXES**

Regulations provided for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of Local District School Taxes on a school year basis and has elected to defer these taxes as follow:

	<u>Local District School Taxes</u> <u>Balance, December 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$3,465,654	\$3,397,410
Deferred Portion	<u>3,248,184</u>	<u>2,576,184</u>
School Tax Payable	<u><u>\$217,470</u></u>	<u><u>\$821,226</u></u>

**NOTE 8. PENSION PLANS**

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

**BOROUGH OF BRADLEY BEACH**  
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**(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2020	\$218,922	\$623,376	\$-0-
2019	179,798	568,129	-0-
2018	186,418	498,739	-0-

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

**BOROUGH OF BRADLEY BEACH**  
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**(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

At December 31, 2020, the Borough had a liability of \$3,718,702 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was .0228037936 percent, which was an increase/(decrease) of .0002972884 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Borough recognized pension expense of \$191,500. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$67,711	\$13,151
Changes of assumptions	120,639	1,557,056
Net difference between projected and actual earnings on pension plan investments	127,108	
Changes in proportion and differences between the Borough's contribution subsequent to year end	<u>945,204</u>	<u>322,254</u>
Total	<u>\$1,260,662</u>	<u>\$1,892,461</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(466,629)
2022	(425,424)
2023	(243,119)
2024	(98,313)
2025	(21,263)

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
Borough's Proportion	.0228037936%	0.0225065052%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent



**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Actuarial Assumptions, (continued)**

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2020.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Public Employees Retirement System (PERS), (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Public Employees Retirement System (PERS), (continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2020		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$4,718,036	\$3,718,702	\$2,924,794

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Police and Firemen's Retirement System (PFRS)**

At December 31, 2020, the Borough had a liability of \$7,194,408 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Borough's proportion was .0556785918 percent, which was a decrease of .0065300418 percent from its proportion measured as of June 30, 2019.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

For the year ended December 31, 2020, the Borough recognized pension expense of \$303,588. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$72,532	\$25,820
Changes of assumptions	18,105	1,928,778
Net difference between projected and actual earnings on pension plan investments	421,842	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>601,376</u>	<u>1,142,751</u>
Total	<u>\$1,113,855</u>	<u>\$3,097,349</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(672,987)
2022	(454,185)
2023	(184,902)
2024	(69,849)
2025	(60,196)

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Borough's Proportion	.0556785918%	0.0622086336%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

**BOROUGH OF BRADLEY BEACH**  
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**(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1 - percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$11,051,850	\$7,194,408	\$6,034,419

**Special Funding Situation - PFRS**

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,116,539 and \$1,202,104, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8. PENSION PLANS, (continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)**

**Police and Firemen's Retirement System, (continued)**

**Special Funding Situation - PFRS, (continued)**

the Borough for the PFRS special funding situation is \$126,537 and \$139,675, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$85,917 and \$80,997, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension benefits described in Note 7, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employees Plan.

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provides they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Total OPEB Liability**

The following other postemployment benefit information is as of June 30, 2019 which is the latest information available. This information is eighteen months prior to December 31, 2020. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other postemployment benefit information is available.

At December 31, 2019, the Borough had a liability of \$6,177,550 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2019 the Borough's proportion was .045604 percent.

For the year ended December 31, 2019, the Borough recognized OPEB benefit of \$167,017. At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$1,806,556
Changes of assumptions		2,189,186
Net difference between projected and actual earnings on OPEB plan investments	5,089	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>930,236</u>	<u>1,687,574</u>
Total	<u>\$935,325</u>	<u>\$5,683,316</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$(649,949)
2021	(649,949)
2022	(650,348)
2023	(650,993)
2024	(651,582)
Thereafter	<u>(737,832)</u>
	<u>(\$3,690,653)</u>

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for 2019, 2018 and 2017 amounts, respectively.

**Actual Assumptions and Other Inputs**

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

**Mortality:**

PERS

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PFRS

Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

\* Salary increases are based on years of service within the respective plan.

100% of active members are considered to participate in the Plan upon retirement.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected.. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**Discount Rate**

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Sensitivity of Net OPEB Liability to Changes in the Discount Rate**

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	<u>June 30, 2020</u>		
	1% Decrease <u>2.50%</u>	At Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Borough's proportionate share of Net OPEB liability	\$7,142,819	\$6,177,550	\$5,393,140

**Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates:**

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	<u>June 30, 2019</u>		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of Net OPEB liability	\$5,213,091	\$6,177,550	\$7,407,880

**NOTE 10. FIXED ASSETS**

The following is a summary of changes in the general fixed asset account group for the year 2020.

	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2020</u>
Land	\$25,875,900	\$1,300,000	\$	\$27,175,900
Buildings	6,087,100			6,087,100
Equipment	2,030,703	19,850		2,050,553
Vehicles	<u>3,935,090</u>			<u>3,935,090</u>
	<u>\$37,928,793</u>	<u>\$1,319,850</u>	<u>\$</u>	<u>\$39,248,643</u>

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 11. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2020 consist of the following:

\$231,003	Due from Beach Utility Operating Fund to Current Fund for concession rental and parking revenue collected in Beach Utility Fund.
11	Due from Public Assistance Fund to Current Fund for interest earned.
26,093	Due from Other Trust Fund to Current Fund for excess payroll deductions funds.
30,706	Due from Current Fund to Federal and State Grant Fund for unexpended grant funds.
110,422	Due from Current Fund to General Capital Fund for grants received.
856	Due from Beach Utility Capital Fund to Beach Utility Operating Fund for interest earned.
<u>8,247</u>	Due from Sewer Utility Capital Fund to Sewer Utility Operating Fund for interest earned.
<u>\$407,338</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**NOTE 12. RISK MANAGEMENT**

Property and Liability Insurance

The Borough, together with other governmental units, is a member of the Warren County Municipal Joint Insurance Fund ("JIF"). The JIF, which is organized and operated pursuant to the regulatory Borough of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the JIF has obtained costs effective reinsurance and excess liability coverages for participant local units.

For the year ending December 31, 2020, the Fund provided the following types of coverages: Auto, General Liability, Workmen's Compensation, Property, Public Officials Liability, Boiler and Public Official Surety/Dishonesty coverage.

The Borough has contracted with the JIF for coverage and is subject to certain policy limits. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused or related to the Borough or its employees.

**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 12. RISK MANAGEMENT, (continued)**

**New Jersey Unemployment Compensation Insurance** – The Borough has elected to fund New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s expendable trust fund for the current and prior two years:

<b>Year Ended</b>	<b>Interest Earnings/ Borough</b>	<b>Employee</b>	<b>Amount</b>	<b>Ending</b>
<b><u>Dec. 31,</u></b>	<b><u>Contributions</u></b>	<b><u>Contributions</u></b>	<b><u>Reimbursed</u></b>	<b><u>Balance</u></b>
2020	\$10,155	\$-0-	\$32,916	\$205,343
2019	37,619	-0-	12,165	228,104
2018	60,169	-0-	33,426	202,650

**NOTE 13. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<b>Balance <u>Dec 31, 2020</u></b>	<b>Balance <u>Dec 31, 2019</u></b>
Prepaid Taxes	<u>\$218,393</u>	<u>\$154,004</u>
Cash Liability for Taxes Collected in Advance	<u>\$218,393</u>	<u>\$154,004</u>

**NOTE 14. SERVICE AGREEMENT AND REQUIRED RESERVE**

In accordance with the service agreement with the Township of Neptune Sewerage Borough (the “TNSA”), which the Borough assumed in its creation by the Township of Neptune, the Borough remits an additional 2% of its annual obligation to the TNSA. This additional 2% is a reserve held and invested by the TNSA on behalf of the Borough. The 2% reserve payments will be made to the TNSA until the required minimum balance is equal to the next two quarterly payments due to the TNSA.



**BOROUGH OF BRADLEY BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
**(CONTINUED)**

**NOTE 14. SERVICE AGREEMENT AND REQUIRED RESERVE, (continued)**

The total sewer rent reserve increased by interest earned of \$6,471, and decreased by reserve reimbursement of \$46,000 resulting in a total reserve balance at December 31, 2020 to \$361,193 which is in the 2020 requirement.

The Rent Reserve on deposit at TNSA is not under the Borough's control nor is the reserve an asset of the Borough and, therefore, is not included on the Borough's balance sheet.

**NOTE 15. ACCRUED SICK PAY**

The Borough of Bradley Beach has policies for employees depending on the department and level that they work for are to be compensated for vested rights in unused sick time at retirement. In some cases, the sick pay buyout is subject to a maximum amount, depending on the collective bargaining agreement or Borough ordinance. In other cases, depending on date of hire, the buyout is unlimited.

The gross potential accrued sick pay liability as of December 31, 2020 for all Borough employees, based on data on file in the Finance Office, is \$2,077,233. This amount is not an immediate liability and the likelihood of this amount becoming due and payable at any time in the near future is remote. However, the potential exists that the Borough may have, in the event that an employee is out of work on an extended illness and because of the nature of their position, to temporarily replace the employee, which could result ultimately in additional cost to the Borough. The various funds contain reserves as follows:

<u>Fund</u>	<u>Reserve Balance</u> <u>Dec 31, 2020</u>
Current	\$9,873
Beach	20,000
Sewer	<u>50,000</u>
	<u>\$79,873</u>

**NOTE 16. CONTINGENT LIABILITIES**

Litigation

There are no matters of litigation that would, in the result of an adverse outcome, have a material impact on the financial condition of the Borough.

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

**NOTE 16. CONTINGENT LIABILITIES, (continued)**

Grants

The Borough of Bradley Beach participates in federally, state and county assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Reserve for State Tax Appeals

The Borough has a Reserve for State Tax Appeals at December 31, 2020 of \$7,016 which represents an estimate for several tax appeals that are pending for 2020. In the event the appeals are awarded in excess of that amount, then a charge to Fund Balance/(Operations) will be needed.

**NOTE 17. OTHER MATTERS**

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Borough of Bradley Beach. The Borough has identified several risks as a result of this pandemic, including a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collection and increased health emergency costs. During 2020, the Borough received reimbursement of health emergency costs associated with the pandemic from FEMA and/or the Federal CARES Act funding provided to the State or County Governments.

In addition, during 2020 revenues of the Borough were not materially affected.

**NOTE 18: SUBSEQUENT EVENT**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The estimated amount of federal aid available to the Borough of

**BOROUGH OF BRADLEY BEACH  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(CONTINUED)**

**NOTE 18: SUBSEQUENT EVENT, (continued)**

Bradley Beach is \$434,165 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment within 120 days of the State receiving the funding from the Federal government and the second installment one year after the receipt of the first installment.

In May of 2021, the Borough issued \$4,250,000 principal amount of General Obligation Bonds, Series 2021 consisting of \$3,260,000 General Improvement Bonds, Series 2021A, \$720,000 Beach Utility Bonds, Series 2021B and \$270,000 Sewer Utility Bonds, Series 2021C. The proceeds of the 2021 Bonds are being used to (i) currently refund \$3,224,000 of Bond Anticipation Notes issued on March 12, 2021 and maturing on May 12, 2021, (ii) finance various improvements and/or purposes in and for the Borough in the amount of \$1,106,000 and (iii) pay for the costs of issuance. The Bonds are dated and bear interest from May 5, 2021. The Bonds have an interest rate of 2.00% and a final maturity of May 1, 2033.

The Borough has evaluated subsequent events through July 3, 2021, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

## **SUPPLEMENTARY DATA**

### COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>			
	2020	\$2,926,225	\$1,100,000
	2019	1,807,300	897,000
	2018	2,083,446	997,000
	2017	2,129,845	997,000
	2016	1,903,438	785,000
 <u>Beach Utility Operating Fund</u>			
	2020	\$1,129,886	\$600,000
	2019	288,925	212,000
	2018	182,375	168,164
	2017	189,081	163,557
	2016	483,466	401,966
 <u>Sewer Utility Operating Fund</u>			
	2020	\$2,247,550	\$356,000
	2019	1,977,065	325,000
	2018	1,764,555	120,771
	2017	1,141,484	29,317
	2016	817,623	32,648

### COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate:</u>	<u>1.222</u>	<u>1.266</u>	<u>1.384</u>
<u>Apportionment of Tax Rate:</u>			
Municipal	.481	.481	.542
Municipal Library	.032	.034	.034
County	.231	.241	.256
County Open Space	.027	.028	.029
County Health	.005	.005	.005
Local School	.446	.477	.518
 <u>Assessed Valuation:</u>			
2020	\$1,432,629,683		
2019		\$1,336,939,000	
2018			\$1,188,301,100

### **COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2020	\$17,886,703	\$17,653,893	98.69%
2019	17,007,625	16,742,911	98.44
2018	16,602,049	16,367,712	98.59

### **DELINQUENT TAXES AND TITLE LIENS**

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2020	\$1,644	\$232,707	\$234,351	1.31%
2019	2,254	336,127	338,382	1.98
2018	1,928	234,337	236,266	1.42

### **UTILITY RECEIVABLES AND COLLECTIONS**

#### **SEWER UTILITY**

The Borough operates a Sewer Utility for the benefit of its residents.

### **COMPARISON OF SEWER UTILITY LEVIES AND COLLECTIONS**

The Borough's Sewer Utility customers are billed quarterly based on a fixed per unit fee basis.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>
2020	\$1,810,728	\$1,818,716
2019	1,987,905	1,980,981
2018	1,996,615	2,007,339

Any unpaid levies are subject to the same provision as unpaid taxes under the provision of the New Jersey Statutes.

## **BEACH UTILITY**

The Borough operates a Beachfront Utility for the benefit of its residents and tourists visiting the Jersey Shore (Atlantic Ocean).

## **COMPARISON OF BEACH UTILITY COLLECTIONS**

The Borough regularly collects money for bathing badges, concession rentals, parking meters and beach lockers.

<u>Year</u>	<u>Cash Collections*</u>
2020	\$2,452,183
2019	1,555,917
2018	1,650,704

\*The Borough collected fees from a miniature golf course. In 2013, a concession lease agreement with Harris Miniature Golf Courses Inc. was created for the design and operation of a newly designed golf course. The lease includes ten (10) annual payments to be received by the Borough, for Shipwreck Island Mini Golf to continue operations. This lease bears no expenses to the Borough and the revenue is through Concession Rental fees.

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

### Governing Body

<u>Name</u>	<u>Title</u>
Gary Engelstad	Mayor
John Weber	Council President
Tim Sexsmith	Councilman
Randy Bonnel	Councilman
Al Gubitosi	Councilman

### Other Officials

David G. Brown II	Borough Administrator, Borough Clerk, Registrar of Vital Statistics
Erica Kostyz	Deputy Municipal Clerk, Deputy Registrar of Vital Statistics
Sandra Rice	Chief Financial Officer, Tax/Sewer Collector
Melissa Vecchiarelli	Assistant Chief Financial Officer, Deputy Tax/ Sewer Collector
Michael Mulcahy	Director of Community Development
Paul Capotorto	Magistrate
Patricia Megill	Court Administrator
Donna Anderson	Deputy Court Administrator

### Consultant and Advisors

Wielkotsz & Company, LLC	Auditor
Sobel, Hann & Cannon, LLP	Attorney
Gerald Freda, PE, PP	Engineer



BOROUGH OF BRADLEY BEACH, N.J.  
Schedule of Expenditures of Federal Awards  
Fiscal Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	State Agency Account Number	Program Amount	Grant Period		Cash Received		Program Expenditures		(MEMO) Cumulative Expenditures
				From	To	Prior Years	Current Year	Prior Years	Current Year	
U.S. Department of the Treasury: Pass-through County of Monmouth: Coronavirus Aid Relief and Economic Security Act (CARES)	21.019	N/A	\$ 164,796	01/01/20	12/31/20		164,796		164,347	*
										*
										*
<b>Total Federal Awards</b>						-	164,796	-	164,347	*

Note: This schedule was not subject to an audit in accordance with Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

**BOROUGH OF BRADLEY BEACH, N.J.**  
**Schedule of Expenditures of State Financial Assistance**  
**Fiscal Year Ended December 31, 2020**

	State Grant Account Number	Program Amount	Grant Period		Cash Received		Program Expenditures		(MEMO) Cumulative Expenditures
			From	To	Prior Years	Current Year	Prior Years	Current Year	
<u>State Funding Department</u>									
<u>New Jersey Department of Environmental Protection:</u>									
Clean Communities Program	Not Available	\$ 12,109	01/01/20	12/31/20		12,109			-
<u>New Jersey Department of Law and Public Safety:</u>									
Body Armor Replacement Fund	Not Available	\$ 2,011	01/01/20	12/31/20		2,011		1,551	1,551
Body Armor Replacement Fund	Not Available	2,138	01/01/19	12/31/19	2,138		2,000		2,000
Body Armor Replacement Fund	Not Available	1,946	01/01/18	12/31/18	1,946		1,104		1,104
Body Armor Replacement Fund	Not Available	1,396	01/01/17	12/31/17	1,396				
					5,480	2,011	3,104	1,551	4,655
<u>New Jersey Department of Justice:</u>									
Alcohol Education and Rehabilitation Fund	Not Available	\$ 322	01/01/18	12/31/18	322				-
Alcohol Education and Rehabilitation Fund	Not Available	242	01/01/16	12/31/16	242		275		275
Alcohol Education and Rehabilitation Fund	Not Available	530	01/01/15	12/31/15	530				
					1,094	-	275	-	275
<u>New Jersey Division of Motor Vehicles:</u>									
Drunk Driving Enforcement Fund	Not Available	3,387	01/01/17	12/31/17	3,387				
Drunk Driving Enforcement Fund	Not Available	5,268	01/01/16	12/31/16	5,268		815		815
Drunk Driving Enforcement Fund	Not Available	2,819	01/01/15	12/31/15	2,819		3,049		3,049
Drunk Driving Enforcement Fund	Not Available	3,104	01/01/13	12/31/13	3,104				
					14,578	-	3,864	-	3,864
<u>Alliance to Prevent Alcoholism and Drug Abuse:</u>									
2019	Not Available	\$ 10,000	01/01/19	12/31/19					
2018	Not Available	10,000	01/01/18	12/31/18	12,481		10,000		10,000
2017	Not Available	20,000	01/01/17	12/31/17			6,800		6,800
					12,481	-	16,800	-	16,800

**BOROUGH OF BRADLEY BEACH, N.J.**  
**Schedule of Expenditures of State Financial Assistance**  
**Fiscal Year Ended December 31, 2020**

State Funding Department	State Grant Account Number	Program Amount	Grant Period		Cash Received		Program Expenditures		(MEMO) Cumulative Expenditures
			From	To	Prior Years	Current Year	Prior Years	Current Year	
<u>Green Acres Program:</u>									
Parking Lot Meter Fees	Not Available	\$ 5,352	01/01/19	12/31/19	5,352		5,311		* 5,311
Parking Lot Meter Fees	Not Available	5,231	01/01/18	12/31/18	5,231		4,909		* 4,909
Parking Lot Meter Fees	Not Available	7,213	01/01/17	12/31/17	7,213		6,463		* 6,463
Parking Lot Meter Fees	Not Available	9,425	01/01/09	12/31/09	9,425		9,395		* 9,395
									*
					27,221	-	26,078	-	* 26,078
									*
<u>New Jersey Corporate Wetlands Restoration Program:</u>									
2013	Not Available	\$ 25,000	01/01/13	12/31/13	25,000		24,858		* 24,858
2012	Not Available	4,000	01/01/12	12/31/12	4,000		3,547		* 3,547
									*
					29,000	-	28,405	-	* 28,405
									*
<u>Body Worn Camera Grant:</u>									
2016	Not Available	\$ 3,000	01/01/16	12/31/16			1,140		* 1,140
									*
Total State Financial Assistance									
					89,854	14,120	79,666	1,551	* 81,217

Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08.

## Statement of Current Cash -

## Collector-Treasurer

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2019	A	3,907,408
Increased by Receipts:		
Due to State of NJ	A-5	12,328
Taxes Receivable	A-6	17,666,262
2021 Prepaid Taxes	A-13	218,393
State of New Jersey Chapter 73, Public Laws of 1976	A-8	26,520
Tax Overpayments	A-15	15,863
Interfunds	A-10	366,166
Miscellaneous Revenues - Local	A-2	578,633
Uniform Fire and Safety Act	A-2	1,323
Uniform Construction Code Fees	A-2	187,372
Code Enforcement Permits	A-2	57,627
Energy Receipts Tax	A-2	355,290
Borough of Allenhurst - Mun. Court Services	A-2	49,000
Borough of Avon - Mun. Court Services	A-2	35,700
Library Payment of Services	A-2	2,275
Verizon Franchise Fees	A-2	31,611
Miscellaneous Revenues Not Anticipated	A-2	59,952
Various Reserves	A-17	4,722
Matching Funds for Grants	A-19	5,000
		<u>19,674,037</u>
		<u>23,581,445</u>

## Statement of Current Cash -

Collector-Treasurer

Year Ended December 31, 2020

	<u>Ref.</u>	<u>Current Fund</u>	
Decreased by Disbursements:			
2020 Appropriations	A-3	8,469,964	
2019 Appropriation Reserves	A-11	44,170	
Due to State of NJ	A-5	7,282	
County Taxes	A-14	3,854,919	
Tax Overpayments	A-15	2,904	
Local District School Tax	A-16	6,429,846	
Interfunds	A-10	184,212	
Various Reserves	A-17	74,936	
Reconciliation Adjustment	A-1	44,669	
Accounts Payable	A-18	17,235	
			<u>19,130,137</u>
Balance December 31, 2020	A		<u><u>4,451,308</u></u>

**Borough of Bradley Beach, N.J.**

**Schedule of Due From/To State of New Jersey**

**Current Fund**

**Year Ended December 31, 2020**

	Due To/(From) Balance Dec. 31, 2019	Increased	Decreased	Due To/(From) Balance Dec. 31, 2020
Marriage License Fees	(50)	550	350	150
Building Fees		11,778	6,932	4,846
	<u>(50)</u>	<u>12,328</u>	<u>7,282</u>	<u>4,996</u>
	A	A-4	A-4	A

## Borough of Bradley Beach, N.J.

## Statement of Taxes Receivable and Analysis of Property Tax Levy

Year Ended December 31, 2020

Year	Balance, Dec. 31, 2019	2020 Levy	Collections		State of N.J. Per Ch. 73 P.L. 1976	Remitted And Canceled	Transferred to Tax Title Liens	Balance, Dec. 31, 2020
			2019 Taxes	2020				
2018	88,709			44,385		44,324	-	-
2019	247,419			197,892		49,527	-	-
	336,128		-	242,277	-	93,851	-	-
2020		17,817,520		154,004	25,250		103	232,707
	336,128	17,817,520		154,004	25,250	93,851	103	232,707
A			A-2, A-13	A-2, A-4, A-10	A-2, A-8		A-7	A
Analysis of 2020 Property Tax Levy								
Tax Yield		Ref.						
General Purpose								
Added Taxes ( 54:4-36 et seq.)								
		17,817,520						
		69,183						
		17,886,703						
Tax Levy								
Local District School Tax (Abstract)		A-16						
County Taxes		A-14						
		6,498,090						
		3,849,304						
		10,347,394						
Local Tax for Municipal Purposes (Abstract)		A-2						
Add: Additional Tax Levies		7,481,773						
		57,536						
		7,539,309						
		17,886,703						

**Exhibit A-7****Borough of Bradley Beach, N.J.****Statement of Tax Title Liens****Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance December 31, 2019	A	2,254
Increased by:		
Transfer from Taxes Receivable	A-6	<u>103</u>
		2,357
Decreased by:		
Audit Adjustment		<u>713</u>
Balance December 31, 2020	A	<u><u>1,644</u></u>

**Exhibit A-8****Statement of Due From/To State of New Jersey -****Deduction Per Chapter 73, P.L. 1976****Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance December 31, 2019		
Due From State of New Jersey	A	500
Increased by:		
Senior Citizens and Veterans Tax		
Deductions Per Tax Billing	A-6	<u>25,250</u>
		25,750
Decreased by:		
Senior Citizen and Veterans Tax		
Deductions Disallowed		1,794
Cash Received	A-4	<u>26,520</u>
		<u>28,314</u>
Balance December 31, 2020		
Due To State of New Jersey	A	<u><u>2,564</u></u>



**Exhibit A-9**

**Borough of Bradley Beach, N.J.**  
**Statement of Revenue Accounts Receivable**  
**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance December 31, 2019	A	<u><u>4,578</u></u>
Balance December 31, 2020	A	<u><u>4,578</u></u>

Exhibit A-10

Borough of Bradley Beach, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2020

<u>Fund</u>	Due From/(To)			Due From/(To)
	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
Beach Utility Operating	66,496	164,507		231,003
Payroll Fund	17,446	8,647		26,093
Public Assistance Fund		11		11
Federal and State Grant Fund	(12,687)	165,897	183,916	(30,706)
General Capital Fund		71,828	182,250	(110,422)
	<u>71,255</u>	<u>410,890</u>	<u>366,166</u>	<u>115,979</u>
	A		A-4	A
Concession Rental Revenue	A-2	45,858		
Parking Meter Revenue	A-2	118,649		
Interest Received	A-2	11		
Interest and Costs Received	A-2	11,506		
Cash Disbursed	A-4	184,212		
Taxes Collected in Gen. Capital	A-6	50,654		
		<u>410,890</u>		

Borough of Bradley Beach, N.J.

Statement of 2019 Appropriation Reserves

	Balance 12/31/19	After Modification	Paid or Charged	Balance Lapsed	Over- Expended
<b><u>General Government:</u></b>					
General Administration:					
Other Expenses	1,680	1,981	301	1,680	
Mayor and Council:					
Other Expenses	2,556	2,556		2,556	
Municipal Clerk:					
Salaries and Wages	617	617		617	
Other Expenses	8,591	9,337	696	8,641	
Financial Administration:					
Salaries and Wages	12	12		12	
Other Expenses	6,150	6,163		6,163	
Audit Services:					
Other Expenses		19,470	3,820	15,650	
Revenue Administration:					
Salaries and Wages	1	1		1	
Other Expenses	2,407	2,420	13	2,407	
Tax Assessment Administration:					
Salaries and Wages	1	1		1	
Other Expenses	9,876	9,876		9,876	
Legal Services:					
Other Expenses	9,990	9,990	990	9,000	
Engineering Services and Costs:					
Other Expenses	5,640	5,640	1,233	4,407	
Architect Services and Costs:					
Other Expenses	2,934	3,000	66	2,934	
<b><u>Land Use Administration:</u></b>					
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Other Expenses	4,273	4,273		4,273	
Zoning Board of Adjustment:					
Other Expenses	3,348	3,550	202	3,348	
<b><u>Code Enforcement and Administration:</u></b>					
Other Code Enforcement Functions -					
Code Enforcement Officer:					
Salaries and Wages	7,056	7,056		7,056	
Other Expenses	4,224	4,296	72	4,224	
<b><u>Insurance:</u></b>					
Employee Group Insurance	77,665	86,616		86,616	
<b><u>Public Safety Functions:</u></b>					
Police:					
Salaries and Wages	137,826	137,826		137,826	
Other Expenses	4,557	5,358	881	4,477	
Police Dispatch/911:					
Salaries and Wages	18,390	18,390		18,390	
Other Expenses	907	1,949	1,042	907	
Office of Emergency Management:					
Salaries and Wages	17	17		17	
Other Expenses	1,149	1,149		1,149	
Aid to Volunteer Ambulance Company	63	63		63	
Fire:					
Salaries and Wages	3,000	3,000		3,000	
Other Expenses	51,047	55,595	4,953	50,642	

Borough of Bradley Beach, N.J.

Statement of 2019 Appropriation Reserves

	Balance 12/31/19	After Modification	Paid or Charged	Balance Lapsed	Over- Expended
Fire Hydrants:					
Other Expenses	2,906	4,987	2,081	2,906	
Fire Prevention Bureau:					
Other Expenses	801	801		801	
Municipal Court:					
Salaries and Wages	11,257	11,257		11,257	
Other Expenses	1,286	2,110	824	1,286	
Public Defender:					
Salaries and Wages	2,300	2,300		2,300	
<b><u>Public Works Functions:</u></b>					
Road Repair and Maintenance:					
Salaries and Wages	36,617	36,617		36,617	
Other Expenses	44,884	49,429	4,305	45,124	
Solid Waste Collection:					
Other Expenses	4,962	11,214	6,252	4,962	
Buildings and Grounds:					
Salaries and Wages	349	349		349	
Other Expenses	16,304	23,755	9,455	14,300	
Vehicle Maintenance:					
Other Expenses	25,537	30,948	5,739	25,209	
Community Services Act:					
Other Expenses	3,750	3,750		3,750	
Safety Regulators Coordinator	21	21		21	
Hepatitis B Immunization	51	51		51	
<b><u>Health and Human Services Functions:</u></b>					
Environmental Commission:					
Other Expenses	2,500	2,500		2,500	
Animal Control Services:					
Other Expenses	2	2		2	
Contribution to Social Services Agencies:					
Other Expenses	595	595		595	
<b><u>Parks and Recreation Functions:</u></b>					
Recreation:					
Salaries and Wages	3,557	3,557		3,557	
Other Expenses	5,668	5,668		5,668	
Celebration of Public Events:					
Other Expenses	687	887		887	
Maintenance of Parks:					
Other Expenses	18,619	19,674	452	19,222	
<b><u>Utility Expenses and Bulk Purchases:</u></b>					
Electricity	238	238		238	
Telephone	1,556	1,557	107	1,450	
Heat - Gas	4,673	4,673		4,673	
Gasoline	1	211		211	
Telecommunication Costs	916	916		916	
Water	2,891	3,534	643	2,891	
<b><u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):</u></b>					
Construction Code Department:					
Salaries and Wages	6,143	6,143		6,143	
Other Expenses	147	147		147	

Borough of Bradley Beach, N.J.

Statement of 2019 Appropriation Reserves

	Balance 12/31/19	After Modification	Paid or Charged	Balance Lapsed	Over- Expended
<b>Contingent</b>	3,700	3,700		3,700	
<b>Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>					
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	7,224	7,224		7,224	
Social Security (O.A.S.I.)	17,143	17,143		17,143	
Administrative Fees (PFRS)	131	131		131	
<b>Operations Excluded from "CAPS":</b>					
Maintenance of Free Public Library	63,531	72,106	43	72,063	
Public and Private Programs Offset by Revenues:					
Matching Funds for Grant Programs	5,000	5,000		5,000	
<b>Capital Improvements:</b>					
DPW Bobcat Trailer	100	100		100	
Stormwater Management Plan	6,939	7,454		7,454	
Acquisition of Police SUV	1,000	1,000		1,000	
Newark Avenue Culvert	17,745	17,745		17,745	
Police Department Radios	25,000	25,000		25,000	
Police Dispatch Console	32,000	32,000		32,000	
	<u>742,708</u>	<u>816,696</u>	<u>44,170</u>	<u>772,526</u>	<u>-</u>
	A		A-4	A-1	
Appropriation Reserves	A-11	742,708			
Reserve for Encumbrances	A-12	73,988			
		<u>816,696</u>			

**Exhibit A-12****Borough of Bradley Beach, N.J.****Statement of Reserve for Encumbrances**

	<u>Ref.</u>	
Balance December 31, 2019	A	73,988
Increased by:		
2020 Appropriations Encumbered	A-3	<u>79,695</u>
		153,683
Decreased by:		
Appropriation Reserves	A-11	<u>73,988</u>
Balance December 31, 2020	A	<u><u>79,695</u></u>

**Exhibit A-13****Statement of Prepaid Taxes**

	<u>Ref.</u>	
Balance December 31, 2019	A	154,004
Increased by:		
Collection of 2021 Taxes	A-4	<u>218,393</u>
		372,397
Decreased by:		
2020 Taxes Applied	A-6	<u>154,004</u>
Balance December 31, 2020	A	<u><u>218,393</u></u>

**Exhibit A-14****Borough of Bradley Beach, N.J.****Statement of County Taxes**

	<u>Ref.</u>	
Balance December 31, 2019	A	17,118
Increased by:		
County Tax	A-1	3,837,657
Added and Omitted Taxes	A-1	<u>11,647</u>
	A-6	<u>3,849,304</u>
		3,866,422
Decreased by:		
Payments	A-4	<u>3,854,919</u>
Balance December 31, 2020	A	<u><u>11,503</u></u>

**Exhibit A-15****Statement of Tax Overpayments**

	<u>Ref.</u>	
Balance December 31, 2019	A	7,477
Increased by:		
2020 Overpayments	A-4	<u>15,863</u>
		23,340
Decreased by:		
Refunds	A-4	<u>2,904</u>
Balance December 31, 2020	A	<u><u>20,436</u></u>

## Borough of Bradley Beach, N.J.

## Statement of Local District School Tax

	<u>Ref.</u>		
Balance December 31, 2019			
School Tax Payable	A	821,226	
School Tax Deferred		<u>2,576,184</u>	
			3,397,410
Increased by:			
Levy - School Year - (July 1, 2020 to June 30, 2021)	A-6		<u>6,498,090</u>
			9,895,500
Decreased by :			
Payments	A-4		<u>6,429,846</u>
Balance December 31, 2020			
School Tax Payable	A	217,470	
School Tax Deferred		<u>3,248,184</u>	
			<u>3,465,654</u>
2020 Liability for Local District School Tax:			
Tax Paid			6,429,846
Tax Payable 12-31-20			<u>217,470</u>
			6,647,316
Less: Tax Payable 12-31-19			<u>821,226</u>
Amount Charged to 2020 Operations	A-1		<u>5,826,090</u>



## Borough of Bradley Beach, N.J.

## Statement of Various Reserves

## Current Fund

Year Ended December 31, 2020

	Balance Dec. 31, 2019	Increases	Decreases	Balance Dec. 31, 2020
Reserve for:				
State Tax Appeals	18,000		10,984	7,016
Green Acres Parking Rec.	1,555			1,555
Revaluation	2,468			2,468
Compensated Absences	73,825		63,952	9,873
Snow Removal	13,398			13,398
Special Emergency - Sandy	30,115			30,115
Fire Department	1,023			1,023
Deposit on Bids	115			115
Off-Duty Police Services	4,238			4,238
Drunk Driving Enforcement		2,860		2,860
Library State Aid		1,862		1,862
Unallocated Credit	64,759			64,759
	<u>209,496</u>	<u>4,722</u>	<u>74,936</u>	<u>139,282</u>
	A	A-4	A-4	A

**Exhibit A-18****Borough of Bradley Beach, N.J.****Statement of Accounts Payable****Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance December 31, 2019	A	<u>17,235</u>
Decreased by:		
Disbursements	A-4	<u>17,235</u>

**Exhibit A-19****Statement of Due From Current Fund****Federal and State Grant Fund**

	<u>Ref.</u>		
Balance December 31, 2019	A		12,687
Increased by:			
State Grant Receipts-			
Appropriated	A-20	178,916	
Matching Funds for Grants	A-4	<u>5,000</u>	
			<u>183,916</u>
			196,603
Decreased by:			
Fed. & State Grant Fund Expenditures	A-21		<u>165,897</u>
Balance December 31, 2020	A		<u>30,706</u>

## Borough of Bradley Beach, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

	Balance Dec. 31, 2019	2020 Revenue	Received	Balance Dec. 31, 2018
Clean Communities Program		12,109	12,109	-
Alliance to Prevent Alcoholism and Drug Abuse:				
2017	7,520			7,520
2018	10,000			10,000
2019	10,000			10,000
Body Worn Camera	3,000			3,000
Body Armor Grant		2,011	2,011	-
Monmouth County CARES Act		164,796	164,796	-
	<u>30,520</u>	<u>178,916</u>	<u>178,916</u>	<u>30,520</u>
	A	A-2	A-19	A

## Borough of Bradley Beach, N.J.

## Statement of Appropriated Reserves for Grants

## Federal and State Grant Fund

<u>Grant</u>	Balance, <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Expended</u>	Balance, <u>Dec. 31, 2020</u>
Drunk Driving Enforcement Fund:				
2013	55			55
2015	2,004			2,004
2016	5,268			5,268
2017	3,387			3,387
Alcohol Education and Rehabilitation Fund:				
2015	255			255
2016	242			242
2018	322			322
Bullet Proof Vest Program	292			292
Bullet Proof Vest Program - 2018	1,946			1,946
Clean Communities Grant - 2020		12,109		12,109
Green Acres Parking Meter Fees:				
2009	30			30
2017	750			750
2018	322			322
2019	41			41
Alliance to Prevent Alcoholism and Drug Abuse:				
Grant Portion:				
2017	13,200			13,200
2019	10,000			10,000
Matching Portion:				
2019	2,500			2,500
NJ Corporation Wetlands Restoration	453			453
NJ Corporation Wetlands Restoration - 2013	142			142
Body Armor Replacement Grant:				
2019	138			138
2020		2,011	1,551	460
Body Worn Camera	1,860			1,860
Monmouth County CARES Act		164,796	164,346	450
Matching Funds for Grants		5,000		5,000
	<u>43,207</u>	<u>183,916</u>	<u>165,897</u>	<u>61,226</u>
	A	A-3	A-19	A

## Borough of Bradley Beach, N.J.

## Statement of Trust Cash Collector - Treasurer

## Trust Fund

## Year Ended December 31, 2020

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other Trust</u>
Balance - December 31, 2019	B	3,274	651,256
Increased by Receipts:			
State Share of Dog Licenses	B-2	247	
Reserve for Animal Control	B-3	1,396	
Payroll and Deductions	B-5		5,798,545
Various Reserves	B-6		389,708
		<u>1,643</u>	<u>6,188,253</u>
		<u>4,917</u>	<u>6,839,509</u>
Decreased by Disbursements:			
State Share of Dog Licenses	B-2	247	
Expenditures Under R.S. 4:19-15.11	B-3	2,297	
Payroll and Deductions	B-5		5,789,898
Various Reserves	B-6		368,759
		<u>2,544</u>	<u>6,158,657</u>
Balance - December 31, 2020	B	<u><u>2,373</u></u>	<u><u>680,852</u></u>

Recapitulation

Other Trust	395,700
Unemployment Insurance Trust Fund	205,206
Tourism	53,853
Payroll	<u>26,093</u>
	<u><u>680,852</u></u>

**Exhibit B-2**

**Borough of Bradley Beach, N.J.**  
**Statement of Due to State Department of Health**  
**Trust Fund**  
**Year Ended December 31, 2020**

	<u>Ref.</u>	
Increased by:		
Receipts - State Share of Dog Licenses Fees	B-1	<u>247</u>
Decreased by:		
Disbursements	B-1	<u>247</u>

**Exhibit B-3**

**Statement of Reserve for Animal Control Fund Expenditures**  
**Trust Fund**  
**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	B	3,274
Increased by:		
Dog License Fees Collected		1,388
Miscellaneous		<u>8</u>
	B-1	<u>1,396</u>
		4,670
Decreased by:		
Expenditures under R.S. 4:19-15.11	B-1	<u>2,297</u>
Balance - December 31, 2020	B	<u>2,373</u>

License Fees Collected

<u>Year</u>	
2019	1,407
2018	<u>1,484</u>
	<u>2,891</u>

**Exhibit B-4**

**Borough of Bradley Beach, N.J.**

**Statement of Other Accounts Receivable**

**Trust Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	B	<u>259</u>
Balance - December 31, 2020	B	<u>259</u>

## Borough of Bradley Beach, N.J.

## Schedule of Payroll Deductions Payable/(Receivable)

## Other Trust Funds

	Balance Dec. 31, 2019	Increased	Decreased	Adjustment	Balance Dec. 31, 2020
Federal Withholding Tax		553,550	553,550		-
Social Security and Medicare Tax		296,459	296,449	(10)	-
Police and Firemen's Retirement System		323,504	255,778	(67,726)	-
PFRS Back Pension		-	-		-
PFRS Contributory Insurance		4,290	4,290		-
PFRS Loans		-	-		-
Public Employees' Retirement System		151,714	204,962	53,248	-
PERS Back Pension		-	1,627	1,627	-
PERS Loans		-	-		-
PERS Contributory Insurance		-	-		-
Contributory Insurance Back		466	247	(219)	-
New Jersey Gross Income Tax		190,636	190,636		-
New Jersey Unemployment Comp. Ins.		23,328	36,725	13,397	-
PBA Dues		17,526	17,060	(466)	-
Deferred Compensation Plan		24,675	24,675		-
Medical Insurance		2,485	2,485		-
Prescription Plan		139,064	139,015	(49)	-
Garnishments		29,536	29,536		-
Union Dues - AFL-CIO		11,391	11,391		-
Due to/(from) Current Fund	17,446	25,895	17,446	198	26,093
Net Payroll		4,004,026	4,004,026		-
	<u>17,446</u>	<u>5,798,545</u>	<u>5,789,898</u>	<u>-</u>	<u>26,093</u>
	B	B-1	B-1		B



## Borough of Bradley Beach, N.J.

## Statement of Other Trust Various Reserves

Year Ended December 31, 2020

	Balance Dec. 31, 2019	Increases	Decreases	Balance Dec. 31, 2020
<b>Reserve For:</b>				
Recycling Program	10,180	2,127	375	11,932
Insurance Commission	876	2		878
Parking Offenses Adjudication Act	3,601	74	416	3,259
Escrow Fees	56,489	71,665	63,819	64,335
Alcohol and Drug Abuse Alliance	449	1		450
Law Enforcement Trust	1,253	42	21	1,274
Relocation Assistance	1,103	7	6	1,104
Fire Prevention Fees	2,385	14	5	2,394
Public Defender Fees	2,850	1,824	125	4,549
Shade Tree Commission	2,646	150	95	2,701
Outside Employment	94,484	108,151	94,792	107,843
Tax Sale Premiums	29,400			29,400
Street Opening Deposits	11,831			11,831
Bid Monies	2,000			2,000
Insurance	35,466			35,466
Light Pole	11,573			11,573
Jr. Lifeguard Program	11,015			11,015
Scholarships	1,651			1,651
Concession Security	16,074	3,356	5,031	14,399
Memorial Day Parade/Craft Fair	23,758	427	7,633	16,552
Arts Council Donations	2,500			2,500
Beach Foundation	3,111			3,111
OEM Trust	5,200			5,200
Snow Removal for Prior Year	14,021			14,021
Rec. Sign Donations	400			400
Memorial Benches	3,542	872		4,414
Miscellaneous	19,122	132,100	119,515	31,707
Tourism	38,985	58,878	44,010	53,853
Unemployment Compensation Insurance	228,104	10,018	32,916	205,206
<b>Total</b>	<b>634,069</b>	<b>389,708</b>	<b>368,759</b>	<b>655,018</b>
	B	B-1	B-1	B

**Borough of Bradley Beach, N.J.**

**Statement of General Capital Cash Collector - Treasurer**

**General Capital Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>		
Balance - December 31, 2019	C		528,293
Increased by Receipts:			
Grant Funds Received	C-6	141,000	
Interfund - Current Fund	C-7	256,731	
BAN Proceeds	C-10	1,400,000	
Capital Improvement Fund	C-14	<u>30,000</u>	
			<u>1,827,731</u>
			2,356,024
Decreased by Disbursements:			
Interfund - Current Fund	C-7	184,903	
Improvement Authorizations	C-13	1,651,467	
Reserve for Various Projects	C-17	<u>67,642</u>	
			<u>1,904,012</u>
Balance - December 31, 2020	C		<u><u>452,012</u></u>

**Borough of Bradley Beach, N.J.**

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>	
Capital Fund Balance	C-1	83,060
Due From State of New Jersey Dept. of Transportation	C-6	(285,000)
Due from Monmouth County - Open Space Grant (Ord. 11-09)	C-6	(20,000)
Due from Current Fund	C-7	(110,422)
Capital Improvement Fund	C-14	82,827
Reserve For Encumbrances	C-15	80,922
Reserve for Recreation Building, Unappropriated	C-17	1,232
Reserve for Sylvan Lake Aerator	C-17	4,500
Reserve for Interlocal Agreement - Salt Dome	C-17	11,808
Reserve for Solar Panels	C-17	500
Reserve for NJLM Sustainable Grant	C-17	1,009
Reserve for Library Accessibility	C-17	22,854
Reserve for RCA - Interest Income	C-17	20,096
Reserve for Public Works Roof Repairs	C-17	50,000
Reserve for Sylvan Lake Improvements	C-17	495
Reserve for Surveillance System	C-17	3
Reserve for Public Works Diesel Tank	C-17	5,660
Reserve for Public Works Generator	C-17	13,000
Reserve for Acquisition of Police SUV	C-17	57,062

Date of  
Ordinance or  
Number

98-04	Development and Implementation of a Housing Rehabilitation Program	15,236
08-06	Replacement of Sylvan Head Bulkhead - Phase IV	10,520

**Borough of Bradley Beach, N.J.**

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2020**

		<u>Ref.</u>
08-07	Various 2008 Roadway Improvements	14,062
10-5/11-18		
12-07	Various 2010 Roadway Improvements	74,574
11-08/11-21		
12-08	Various 2011 Roadway Improvements	37,540
11-09	Improvements to Lake Terrace Park	1,581
13-01/13-10	LaReine Avenue Road Improvements	42,690
14-06	Improvements to the Library	16,134
14-11	Police Communications Equipment	21,651
15-08	Ocean Avenue Curbs and Sidewalks	6,110
16-05/18-18	Ocean Park Avenue Improvements - Phase I	(45,761)
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	(77,345)
17-19/18-10	Improvements to Riley Park	2,661
18-11	Improvements to Fletcher Lake	5,390
18-23	Acquisition of Non-Passenger Vehicles for the Department of Public Works	35,747
19-19	Improvements to Ocean Park Avenue - Phase II	(99,836)
20-02	Acquisition of 319 LaReine Avenue	111,717
20-04	Newark Avenue Road Improvements	259,735
		<hr/>
Balance - December 31, 2020		C <u><u>452,012</u></u>

**Borough of Bradley Beach, N.J.**

**Statement of Deferred Charges to Future Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>		
Balance - December 31, 2019	C		2,510,382
Decreased by:			
Payments by Budget Appropriation:			
Serial Bonds	C-9	410,000	
Green Trust Loan	C-12	<u>22,167</u>	
			<u>432,167</u>
Balance - December 31, 2020	C		<u><u>2,078,215</u></u>

## Borough of Bradley Beach, N.J.

## Statement of Deferred Charges to Future Taxation - Unfunded

## General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authoriz.	Notes Paid by Budget Appropriation	Balance Dec. 31, 2020	Analysis of Balance Dec. 31, 2020		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Balance of Improvement Authorizations
15-08	Ocean Avenue Curbs and Sidewalks	71,000		12,000	59,000	59,000		
16-01	Real Property Acquisition	362,000		61,000	301,000	301,000		
16-05/18-18	Ocean Park Avenue Improvements Phase I	188,799			188,799		45,761	143,038
17-16	Improvement to Sylvan Lake and Sylvan Lake Park	214,000		13,000	201,000	99,000	77,345	24,655
17-19/18-10	Improvement to Riley Park	172,500		21,000	151,500	147,000	(2,661)	7,161
18-11	Improvement to Fletcher Lake	198,000		19,000	179,000	171,000		8,000
18-23	Acquisition of Various Non-Passenger Vehicles For the Dept. of Public Works	413,000		41,000	372,000	339,000		33,000
19-19	Ocean Park Avenue Improvements Phase II	135,000			135,000		99,836	35,164
20-02	Acquisition of 319 Larcene Avenue		1,425,000		1,425,000	1,400,000		25,000
		<u>1,754,299</u>	<u>1,425,000</u>	<u>167,000</u>	<u>3,012,299</u>	<u>2,516,000</u>	<u>220,281</u>	<u>276,018</u>
		C	C-13	C-10	C			
<div> <div>Ref</div> <div>Improvement Authorizations-Unfunded</div> <div>Less: Unexpended Proceeds of Bond Anticipation Notes:</div> <div>Ordinance No:</div> <div> <div>15-08</div> <div>18-11</div> <div>18-23</div> <div>20-02</div> </div> <div> <div>6,110</div> <div>5,390</div> <div>55,747</div> <div>111,717</div> </div> <div>276,018</div> </div>								
							C-13	434,982

## Borough of Bradley Beach, N.J.

## Statement of Intergovernmental Accounts Receivable

## General Capital Fund

Year Ended December 31, 2020

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<b>County of Monmouth:</b>				
Open Space Grant (Ord#17-16)	161,000		141,000	20,000
<b>NJ Department of Transportation:</b>				
Ordinance #16-05/18-18	94,276			94,276
Ordinance #19-19	243,000		182,250	60,750
Ordinance #20-04		285,000		285,000
	<u>498,276</u>	<u>285,000</u>	<u>323,250</u>	<u>460,026</u>
	C	C-13		C
Cash Received		C-2	141,000	
Interfund - Current Fund		C-7	182,250	
			<u>323,250</u>	
<u>Detail:</u>				
Reserved	155,026			155,026
Unreserved	343,250	285,000	323,250	305,000
	<u>498,276</u>	<u>285,000</u>	<u>323,250</u>	<u>460,026</u>

## Borough of Bradley Beach, N.J.

## Schedule of Interfunds

## General Capital Fund

		Due From/(To) Balance Dec. 31, 2019	Increased	Decreased	Due From/(To) Balance Dec. 31, 2020
<u>Fund</u>					
Current Fund			367,153	256,731	110,422
		-	367,153	256,731	110,422
		C			C
BAN Paydown	C-2		167,000		
BAN Interest	C-2		17,903		
NJDOT Grant Received in					
Current Fund	C-6		182,250		
			367,153		
Interest Received				115	
BAN Proceeds				194,456	
Taxes Withheld From Land					
Sale				62,160	
	C-2			256,731	



**Borough of Bradley Beach, N.J.**

**Statement of Obligations Under Capital Leases - Unfunded**

**General Capital Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	C	380,000
Decreased by:		
Payment by Budget Appropriation	C-11	<u>117,000</u>
Balance - December 31, 2020	C	<u><u>263,000</u></u>

## Borough of Bradley Beach, N.J.

## Statement of Serial Bonds

## General Capital Fund

Year Ended December 31, 2020

Purpose	Date of Issue	Amount of Original Issue	Date	Amount	Interest Rate	Balance Dec. 31, 2019	Issued	Redeemed/Refunded	Balance Dec. 31, 2020	
General Improvement Bonds	12/24/2014	\$ 1,030,000	12/1/2021	60,000						
			12/1/2022	60,000						
			12/1/2023	65,000						
			12/1/2024	65,000						
			12/1/2025	70,000						
			12/1/2026	75,000						
			12/1/2027	80,000						
			12/1/2028	80,000						
			12/1/2029	85,000						
			12/1/2030	90,000						
Library Improvement Bonds	12/24/2014	\$ 780,000	12/1/2021	30,000						
			12/1/2022	30,000						
			12/1/2023	30,000						
			12/1/2024	30,000						
			12/1/2025	35,000						
			12/1/2026	35,000						
			12/1/2027	40,000						
			12/1/2028	40,000						
			12/1/2029	40,000						
			12/1/2030	45,000						
			12/1/2031	45,000						
			12/1/2032	50,000						
			12/1/2033	50,000						
			12/1/2034	50,000						
MCIA Refunding Bonds	3/24/2016	\$ 1,665,000	12/1/2021	345,000						
			12/1/2022	360,000						
				</						

## Borough of Bradley Beach, N.J.

## Statement of Bond Anticipation Notes

## General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Original Note	Date of Original Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
15-08	Ocean Avenue Curbs and Sidewalks	118,750	05-23-16	05-17-21	2.00%	71,000	59,000	71,000	59,000
16-01	Acquisition of Real Property	604,750	05-23-16	05-17-21	2.00%	362,000	301,000	362,000	301,000
17-19/18-10	Improvements to Riley Park	480,000	05-18-18	05-17-21	2.00%	135,000	120,000	135,000	120,000
17-16	Improvements to Sylvan Lake and Sylvan Lake Park	125,000	05-18-18	05-17-21	2.00%	112,000	99,000	112,000	99,000
17-19/18-10	Improvements to Riley Park	33,000	05-18-19	05-17-21	2.00%	33,000	27,000	33,000	27,000
18-11	Improvements to Fletcher Lake	190,000	05-18-19	05-17-21	2.00%	190,000	171,000	190,000	171,000
18-23	Acquisition of Non-Passenger Vehicle in the Department of Public Works	380,000	05-18-19	05-17-21	2.00%	380,000	339,000	380,000	339,000
20-02	Acquisition of Real Property (Lareine Ave.)	1,400,000	02-25-20	05-17-21	1.50%		1,400,000		1,400,000
						<u>1,283,000</u>	<u>2,516,000</u>	<u>1,283,000</u>	<u>2,516,000</u>
						C			C
					Ref.				
	Issued For Cash				C-2		1,400,000		
	Paid by Budget Appropriation				C-5			167,000	
	Renewals						<u>1,116,000</u>	<u>1,116,000</u>	
							<u>2,516,000</u>	<u>1,283,000</u>	

**Exhibit C-11**

**Borough of Bradley Beach, N.J.**  
**Statement of Capital Lease Obligations Payable**  
**General Capital Fund**  
**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	C	380,000
Decreased by:		
Payment by Budget Appropriation	C-8	<u>117,000</u>
Balance - December 31, 2020	C	<u><u>263,000</u></u>

**Exhibit C-12**

**Borough of Bradley Beach, N.J.**

**Statement of Green Trust Loans Payable**

**General Capital Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	C	115,382
Decreased by:		
Payment by Budget Appropriation	C-4	<u>22,167</u>
Balance - December 31, 2020	C	<u><u>93,215</u></u>

Borough of Bradley Beach, N.J.  
Statement of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2019		2020 Authoriz.	Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded			Funded	Unfunded
98-04	Development and Implementation of a Housing Rehabilitation Program	05/18/98	1,900,000	15,236				15,236	
08-06	Replacement of Sylvan Head Bulkhead - Phase IV (CDBG \$194,000)	06/10/08	400,000	10,520				10,520	
08-07	Various 2008 Roadway Improvements (NJDOT \$160,000)	06/10/08	330,000	14,062				14,062	
10-05/11-18/12-07	Various 2010 Roadway Improvements (NJDOT \$210,000)	Various	497,000	74,574				74,574	
11-08/11-21/12-08	Various 2011 Roadway Improvements	Various	640,000	37,540				37,540	
11-09	Improvements to Lake Terrace Park	11/09/11	60,000	1,581				1,581	
13-01/13-10	LaReine Avenue Road Improvements	02/27/13	730,000	42,690				42,690	
14-06	Improvements to the Library	03/11/14	900,000	16,134				16,134	
14-11	Police Communications Equipment	04/22/14	150,000	21,651				21,651	
15-08	Ocean Avenue Curbs and Sidewalks	05/26/15	125,000		6,110				6,110
16-05/18-18	Ocean Park Avenue Improvements - Phase I (NJDOT \$270,000)	06/12/18	380,000		143,038				143,038
17-16	Improvements to Sylvan Lake and Sylvan Lake Park (MOCOCG \$101,000)	06/13/17	400,000		29,094		4,439		24,655

## General Capital Fund

Year Ended December 31, 2020

Ref.

**Capital Improvement Fund**

## Capital Grants

Grants  
Def. Charges to Future Taxation - Unfunded

**Borough of Bradley Beach, N.J.**

**Statement of Capital Improvement Fund**

**General Capital Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	C	142,827
Increased by:		
2020 Budget Appropriation	C-2	<u>30,000</u>
		172,827
Decreased by:		
Appropriated to Finance Improvement		
Authorization	C-13	<u>90,000</u>
Balance - December 31, 2020	C, C-3	<u><u>82,827</u></u>



**Exhibit C-15**

**Borough of Bradley Beach, N.J.**  
**Statement of Reserve for Encumbrances**  
**General Capital Fund**  
**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	C	76,032
Increased by:		
Encumbered	C-13	<u>4,890</u>
Balance - December 31, 2020	C	<u><u>80,922</u></u>

**Exhibit C-16**

**Statement of Reserve for Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	C	<u><u>155,026</u></u>
Balance - December 31, 2020	C	<u><u>155,026</u></u>

**Borough of Bradley Beach, N.J.**  
**Statement of Reserve for Various Projects**  
**General Capital Fund**  
**Year Ended December 31, 2020**

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Reserve for:				
Recreation Building, Unappropriated	1,232			1,232
Sylvan Lake Aerator	4,500			4,500
Interlocal Agreement - Salt Dome	11,808			11,808
Preliminary Costs - Solar Panels	500			500
NJM Sustainable Grant	1,009			1,009
Library Accessibility	22,854			22,854
Regional Contribution Agreement -				
Interest Income	20,096			20,096
Public Works Roof Repairs	50,000			50,000
Sylvan Lake Improvements	68,137		67,642	495
Surveillance System	3			3
Public Works Diesel Tank	5,660			5,660
Public Works Generator	13,000			13,000
Acquisition of Police SUV	57,062			57,062
	<u>255,861</u>	<u>-</u>	<u>67,642</u>	<u>188,219</u>
	C		C-2	C, C-3

## Borough of Bradley Beach, N.J.

## Statement of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2020

Date of Ordinance or <u>Number</u>		Balance	2020	Bond	Balance
		<u>Dec. 31, 2019</u>	<u>Authorizations</u>	<u>Anticipation Notes Issued</u>	<u>Dec. 31, 2020</u>
16-05/18-18	Ocean Park Avenue Improvements - Phase I	188,799			188,799
17-16	Imp. To Sylvan Lake and Sylvan Lake Park	102,000			102,000
17-19/18-10	Improvement to Riley Park	4,500			4,500
18-11	Improvement to Fletcher Lake	8,000			8,000
18-23	Acquisition of Various Public Works Vehicles	33,000			33,000
19-19	Ocean Park Avenue Improvements - Phase II	135,000			135,000
20-02	Acquisition of 319 LaReine Avenue		1,425,000	1,400,000	25,000
		<u>471,299</u>	<u>1,425,000</u>	<u>1,400,000</u>	<u>496,299</u>
		Footnote C	C-5	C-10	Footnote C

## Borough of Bradley Beach, N.J.

## Statement of Beach Utility Cash - Treasurer

December 31, 2020

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2019	D	718,881	854,607
Increased by Receipts:			
Bathing Badges	D-3	2,268,570	
Concession Rents	D-3	68,786	
Locker Rental Maintenance Fees	D-3	106,840	
Parking Meter Fees	D-3	139,283	
Interest on Investments	D-3, D-18	7,432	856
Non-Budget Revenue	D-3	7,648	
Interfund - Current Fund	D-7	164,507	
Prepaid Bathing Badges	D-13	487,525	
		<u>3,250,591</u>	<u>856</u>
		3,969,472	855,463
Decreased by Disbursements:			
2020 Appropriations	D-4	1,805,494	
Appropriation Reserves	D-10	10,960	
Reserve for Encumbrances	D-11	7,497	
Accrued Interest on Bonds	D-12	64,762	
Various Reserves	D-14	2,364	
Improvement Authorizations	D-17		469
		<u>1,891,077</u>	<u>469</u>
Balance - December 31, 2020	D	<u>2,078,395</u>	<u>854,994</u>

**Borough of Bradley Beach, N.J.**  
**Analysis of Beach Utility Capital Cash**

**December 31, 2020**

	<u>Ref.</u>	
Capital Fund Balance	D-2	32,532
Capital Improvement Fund	D-20	35,400
Reserve for Encumbrances	D-19	2,873
Various Reserves	D-21	770,298
Due to Beach Utility Operating Fund	D-18	856
Improvement Authorizations:		
Ordinance Date or Number:		
13-02 Various Beach Improvements		(3,299)
14-05 Parking Meter Pay Station Installation		3,900
16-02 Real Property Acquisition		1,000
17-13 Improvements to Beach Railing on the Boardwalk		3,994
18-08 Improvement to the Pump Station		7,440
		<hr/>
Balance - December 31, 2020	D	<hr/> <u>854,994</u>

## Borough of Bradley Beach, N.J.

## Schedule of Interfunds

## Beach Utility Operating Fund

Fund	Due From/(To)			Due From/(To)
	Balance			Balance
	Dec. 31, 2019	Increased	Decreased	Dec. 31, 2020
Beach Utility Capital Fund		856		856
Current Fund	(66,496)	(164,507)		(231,003)
	<u>(66,496)</u>	<u>(163,651)</u>	<u>-</u>	<u>(230,147)</u>
	D			
Cash Receipts	D-5	(164,507)		
Interest - Beach Capital	D-3	856		
		<u>(163,651)</u>		
<u>Analysis of Balance:</u>				
Due From Beach Capital Fund			D	856
Due To Current Fund			D	(231,003)
				<u>(230,147)</u>

## Borough of Bradley Beach, N.J.

## Statement of Fixed Capital

## Beach Utility Capital Fund

	Balance Dec. 31, 2019	Balance Dec. 31, 2020
Beach Cleaning Equipment	75,000	75,000
Pavilion Roof	9,169	9,169
Computer System	6,500	6,500
Improvement to the Public Beach Front - 1993	1,850,154	1,850,154
Modification to Groin Fields	285,352	285,352
Improvement to Second Avenue Pump Station	80,000	80,000
Improvement to the Public Beach Front - 1999	30,000	30,000
Repair and/or Replacement of the Flume at Fletcher Lake and the Extension of the Outfall Pipe	41,125	41,125
Acquisition of a Beach Tractor	30,358	30,358
2016 Land Acquisition	634,000	634,000
Beach Erosion Control Project	114,959	114,959
Capital Outlay - 2002	8,312	8,312
Capital Outlay - 2003	8,000	8,000
Capital Outlay - 2004	4,070	4,070
Capital Outlay - 2005	5,000	5,000
Capital Outlay - 2006	22,000	22,000
Capital Outlay - 2007	7,199	7,199
Capital Outlay - 2008	902	902
Capital Outlay - 2009	17,592	17,592
Capital Outlay - 2010	11,490	11,490
Capital Outlay - 2011	56,422	56,422
Capital Outlay - 2012	44,332	44,332
Capital Outlay - 2013	45,335	45,335
Capital Outlay - 2014	16,392	16,392
Capital Outlay - 2015	23,749	23,749
Capital Outlay - 2016	83,150	83,150
Various Beachfront Improvements	747,480	747,480
Acquisition of a Load and Pack Vehicle	120,698	120,698
Concession Trailer	58,492	58,492
Capital Outlay - 2017	28,500	28,500
Acquisition of Parking Meter Stations	135,631	135,631
Various Beachfront Improvements - 2019	1,603,299	1,603,299
Boardwalk Railing	363,218	363,218
	<u>6,567,880</u>	<u>6,567,880</u>
	D	D

Borough of Bradley Beach, N.J.  
Statement of Fixed Capital Authorized and Uncompleted  
Beach Utility Capital Fund

Ordinance Number	Improvement Description	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2019	Dec. 31, 2020
14-05	Acquisition of Parking Meter Stations	02/27/14	140,000	4,369	4,369
16-02	Real Property Acquisition	01/26/16	635,000	1,000	1,000
17-13	Improvements to Beach Railing on the Boardwalk	05/09/17	500,000	136,782	136,782
18-08	Improvements to the Pump Station	04/10/18	10,500	10,500	10,500
				<u>152,651</u>	<u>152,651</u>
				D	D



## Borough of Bradley Beach, N.J.

## Statement of 2019 Appropriation Reserves

## Beach Utility Operating Fund

	Balance Dec. 31, 2019	Balance After Transfers	Paid Or Charged	Balance Lapsed	Over- Expended
<b>Operating:</b>					
Salaries and Wages	24,858	24,858		24,858	
Other Expenses	53,063	53,063	10,960	42,103	
<b>Statutory Expenditures:</b>					
Contribution To:	867	867	-	867	
Social Security System					
	<u>78,788</u>	<u>78,788</u>	<u>10,960</u>	<u>67,828</u>	<u>-</u>
	D		D-5	D-1	

**Exhibit D-11**

**Borough of Bradley Beach, N.J.**  
**Statement of Reserve for Encumbrances**  
**Beach Utility Operating Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	D	7,497
Increased by:		
Encumbrances	D-4	<u>12,587</u>
		20,084
Decreased by:		
Disbursements	D-5	<u>7,497</u>
Balance - December 31, 2020	D	<u><u>12,587</u></u>

**Exhibit D-12**

**Statement of Accrued Interest on Bonds and Notes**  
**Beach Utility Operating Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	D	10,983
Increased by:		
2020 Budget Appropriations -		
Interest on Bonds and Notes	D-4	<u>63,508</u>
		74,491
Decreased by:		
Disbursements	D-5	<u>64,762</u>
Balance - December 31, 2020	D	<u><u>9,729</u></u>

## Borough of Bradley Beach, N.J.

## Statement of Prepaid Bathing Badges

## Beach Utility Operating Fund

	<u>Ref.</u>	
Balance - December 31, 2019	D	183,613
Increased by:		
Cash Collected	D-5	<u>487,525</u>
		671,138
Decreased by:		
Prior Year Prepaids Applied	D-3	<u>183,613</u>
Balance - December 31, 2020	D	<u><u>487,525</u></u>

-

Exhibit D-14

Borough of Bradley Beach, N.J.

Schedule of Various Reserves

Beach Utility Operating Fund

	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
<b>Reserve for:</b>				
Compensated Absences	20,000			20,000
Beach Enhancement Donations	4,706			4,706
Sand Replenishment Costs	39,778			39,778
Green Acres (Unappropriated)	15,736		5	15,731
Commitments Payable	2,359		2,359	
	<u>82,579</u>	<u>-</u>	<u>2,364</u>	<u>80,215</u>
	D		D-5	D

## Borough of Bradley Beach, N.J.

## Statement of Serial Bonds

## Beach Utility Capital Fund

Maturities of Bonds										
Date of Issue	Original Issue	Outstanding			Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020	
		Date	Dec. 31, 2020	Amount						
Beach Improvement Bonds (MCIA)	12/24/14	\$	1,525,000							
				12/01/21	115,000	5.00%				
				12/01/22	120,000	5.00%				
				12/01/23	125,000	5.00%				
				12/01/24	135,000	5.00%				
				12/01/25	140,000	5.00%				
				12/01/26	145,000	5.00%				
			12/01/27	155,000	5.00%	1,045,000		110,000	935,000	
							1,045,000	-	110,000	935,000
							D	D-22	D	D

## Statement of Bond Anticipation Notes

## Beach Utility Capital Fund

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## Borough of Bradley Beach, N.J.

## Statement of Improvement Authorizations

## Beach Utility Capital Fund

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2019		Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded		Funded	Unfunded
14-05	Parking Meter Pay Station Improvements	02/27/14	140,000	4,369		469	3,900	
16-02	Real Property Acquisition	01/26/16	635,000		1,000			1,000
17-13	Improvements to Beach Railing on the Boardwalk (MCOST Grant \$307,212)	05/09/17	500,000		136,782			136,782
18-08	Improvement to the Pump Station	04/10/18	10,500	7,441			7,441	
				11,810	137,782	469	11,341	137,782
				D	D	D-5	D	D

**Borough of Bradley Beach, N.J.**

**Schedule of Interfunds**

**Beach Utility Capital Fund**

<u>Fund</u>	Due From/(To)			Due From/(To)
	Balance	Increased	Decreased	Balance
	<u>Dec. 31, 2019</u>			<u>Dec. 31, 2020</u>
Beach Utility Operating Fund		(856)		(856)
	<u>-</u>	<u>(856)</u>	<u>-</u>	<u>(856)</u>
	D	D-5		D
Interest - Beach Capital		(856)		
		<u>(856)</u>		



**Exhibit D-19****Borough of Bradley Beach, N.J.****Statement of Encumbrances Payable****Beach Utility Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	D	<u>2,873</u>
Balance - December 31, 2020	D	<u>2,873</u>

**Exhibit D-20****Statement of Capital Improvement Fund****Beach Utility Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	D	<u>35,400</u>
Balance - December 31, 2020	D	<u>35,400</u>

**Exhibit D-21**

**Borough of Bradley Beach, N.J.**

**Schedule of Various Reserves**

**Beach Utility Capital Fund**

	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2020</u>
<b>Reserve for:</b>		
FEMA Grant	757,120	757,120
Upgrade to Public Safety Station	178	178
Public Works Generator	<u>13,000</u>	<u>13,000</u>
	<u>770,298</u>	<u>770,298</u>
	D	D

**Exhibit D-22**

**Borough of Bradley Beach, N.J.**  
**Statement of Reserve for Amortization**  
**Beach Utility Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	D	2,637,340.00
Increased by:		
Serial Bonds Paid by Operating Budget	D-15	<u>110,000.00</u>
Balance - December 31, 2020	D	<u><u>2,747,340.00</u></u>

**Exhibit D-23**

**Statement of Deferred Reserve for Amortization**  
**Beach Utility Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	D	2,388,103
Increased by:		
Notes Paid by Operating Budget	D-16	<u>81,000</u>
Balance - December 31, 2020	D	<u><u>2,469,103</u></u>

## Borough of Bradley Beach, N.J.

## Statement of Bonds and Notes Authorized But Not Issued

## Beach Utility Capital Fund

Description	Ordinance Number	Balance Dec. 31, 2019	Balance Dec. 31, 2020
Improvements to Beach Railing on the Boardwalk	17-13	132,782.00	132,782.00
		132,782.00	132,782.00
		Footnote D	Footnote D

## Borough of Bradley Beach, N.J.

## Statement of Sewer Utility Cash - Treasurer

December 31, 2020

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
<b>Balance - December 31, 2019</b>	E	2,300,177	756,510
<b>Increased by Receipts:</b>			
Rents	E-8	1,811,185	
Interest on Investments	E-3, E-20	5,267	8,247
Miscellaneous	E-3	9,788	
Rent Overpayments	E-13	53,901	
Prepaid Rents	E-14	63,288	
Various Reserves	E-16	46,000	
NJIB Loan Payable	E-19		374,786
NJIB Note Payable	E-18A		204,832
		<u>1,989,429</u>	<u>587,865</u>
		4,289,606	1,344,375
<b>Decreased by Disbursements:</b>			
2020 Appropriations	E-4	1,558,668	
Reserve for Encumbrances	E-12	5,001	
Rent Overpayment Refunds	E-13	919	
Accrued Interest on Bonds	E-15	36,862	
Improvement Authorizations	E-21		9,332
Contracts Payable	E-22		550,904
		<u>1,601,450</u>	<u>560,236</u>
<b>Balance - December 31, 2020</b>	E	<u>2,688,156</u>	<u>784,139</u>

## Borough of Bradley Beach, N.J.

## Analysis of Sewer Utility Capital Cash

December 31, 2020

	Ref.	Receipts		Disbursements		Balance Dec. 31, 2020
		Balance Dec. 31, 2019	Miscellaneous	Improvement Authorizations	Miscellaneous	
Capital Fund Balance	E-2	44,527				44,527
Capital Improvement Fund	E-23	191,252				191,252
Interfund - Sewer Operating Fund	E-20		8,247			8,247
Contracts Payable	E-22	651,518			550,904	100,614
Reserve for Roof Repairs - PW Building	E-24	100,000				100,000
Reserve for Manhole Resetting	E-24	97,980				97,980
Reserve for Video Inspection of Sewer Lines	E-24	25,000				25,000
Reserve for PW Generator	E-24	24,500				24,500
Reserve for Sewer Infrastructure Upgrades	E-24	37,349				37,349
Improvement Authorizations:						
Ordinance Date or Number:						
17-11 Improvements to the Sanitary Sewer System		(415,616)	579,618	9,332		154,670
Balance - December 31, 2020	E	756,510	587,865	9,332	550,904	784,139

## Borough of Bradley Beach, N.J.

## Schedule of Interfunds

## Sewer Utility Operating Fund

<u>Fund</u>	Due From/(To)			Due From/(To)
	Balance	Increased	Decreased	Balance
	<u>Dec. 31, 2019</u>			<u>Dec. 31, 2020</u>
Sewer Utility Capital Fund		8,247		8,247
	<u>-</u>	<u>8,247</u>	<u>-</u>	<u>8,247</u>
	E	E-3		E

## Borough of Bradley Beach, N.J.

## Statement of Consumer Accounts Receivable

## Sewer Utility Operating Fund

	<u>Ref.</u>		
Balance - December 31, 2019	E		71,287
Increased by:			
Sewer Rents Levied			<u>1,810,728</u>
			1,882,015
Decreased by:			
Collections	E-5	1,811,185	
Prepayments Applied	E-14	<u>7,531</u>	
			<u>1,818,716</u>
Balance - December 31, 2020	E		<u><u>63,299</u></u>



**Exhibit E-9****Borough of Bradley Beach, N.J.****Statement of Fixed Capital****Sewer Utility Capital Fund**

	<b>Balance</b> <b>Dec. 31, 2019</b>	<b>Balance</b> <b>Dec. 31, 2020</b>
Improvement of Sewer System, Stage I - 1973	100,000	100,000
Improvement of Sewer System, Stage II - 1976	690,268	690,268
Improvement of Sewer System, Stage II - 1981	30,718	30,718
Improvement of Sewer System, Stage II - 1981	257,244	257,244
Improvement of Sewer System - 1998	73,258	73,258
Purchase of Equipment - 1994	39,814	39,814
Purchase of Jet Sewer Cleaner - 1992	19,000	19,000
Computer System - 1995	9,750	9,750
Improvement to Municipal Sewer Building	35,543	35,543
Improvements to the Pump Station - 1996	294,666	294,666
Improvements to the Pump Station - 1996	93,665	93,665
Sewer Utility Improvements - 1999	282,006	282,006
Sewer Utility Improvements - 2000	297,426	297,426
Improvement of Sewer System - 2000	200,000	200,000
Improvement of Sewer System - 2001	230,000	230,000
Sanitary Sewer Pump Station Rehabilitation - 2006	322,469	322,469
Sewer Evaluation, Cleaning and Rehabilitation	265,622	265,622
Capital Outlay - 2006 Appropriations	25,542	25,542
Capital Outlay - 2007 Appropriation Reserves	13,551	13,551
Capital Outlay - 2013 Appropriation Reserves	12,500	12,500
Capital Outlay - 2015 Appropriations	87,500	87,500
Capital Outlay - 2015 Appropriation Reserves	39,310	39,310
Capital Outlay - 2016 Appropriations	252,920	252,920
Pump Station Reconstruction - 2016	989,614	989,614
	<hr/>	<hr/>
	<b>4,662,386</b>	<b>4,662,386</b>
	<hr/>	<hr/>
	<b>E</b>	<b>E</b>

## Borough of Bradley Beach, N.J.

## Statement of Fixed Capital Authorized and Uncompleted

## Sewer Utility Capital Fund

Ordinance Number	Improvement Description	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2019	Dec. 31, 2020
17-11	Improvements to the Sanitary Sewer System	02/28/17	2,850,000.00	2,850,000.00	2,850,000.00
				<u>2,850,000.00</u>	<u>2,850,000.00</u>
				E	E

**Borough of Bradley Beach, N.J.**  
**Statement of 2019 Appropriation Reserves**

**Sewer Utility Operating Fund**

	Balance Dec. 31, 2019	Balance After Transfers	Paid Or Charged	Balance Lapsed	Over- Expended
<b>Operating:</b>					
Salaries and Wages	11,951	11,951		11,951	
Other Expenses	135,778	135,778		135,778	
<b>Capital Improvements:</b>					
Reserve For Infrastructure Upgrades	50,000	50,000		50,000	
Capital Outlay	41,500	41,500		41,500	
<b>Statutory Expenditures:</b>					
Contribution To:					
Social Security System	3,745	3,745	-	3,745	
	<u>242,974</u>	<u>242,974</u>	<u>-</u>	<u>242,974</u>	<u>-</u>
	E			E-1	

**Exhibit E-12**

**Borough of Bradley Beach, N.J.**  
**Statement of Reserve for Encumbrances**

**Sewer Utility Operating Fund**

	<u>Ref.</u>		
Balance - December 31, 2019	E		14,996
Increased by:			
Encumbrances	E-4		9,975
			<hr/> 24,971
Decreased by:			
Cancellations	E-1	9,995	
Disbursements	E-5	5,001	
		<hr/>	<hr/> 14,996
Balance - December 31, 2020	E		<hr/> <hr/> 9,975

**Exhibit E-13**

**Statement of Sewer Rent Overpayments**

**Sewer Utility Operating Fund**

	<u>Ref.</u>		
Balance - December 31, 2019	E		919
Increased by:			
Overpayments	E-5		53,901
			<hr/> 54,820
Decreased by:			
Refunds	E-5		919
			<hr/> 919
Balance - December 31, 2020	E		<hr/> <hr/> 53,901

**Borough of Bradley Beach, N.J.**  
**Statement of Prepaid Sewer Rents**

**Sewer Utility Operating Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	E	7,531
Increased by:		
Prepayments	E-5	<u>63,288</u>
		70,819
Decreased by:		
Applied	E-8	<u>7,531</u>
Balance - December 31, 2020	E	<u><u>63,288</u></u>

**Statement of Accrued Interest on Bonds and Notes**

**Sewer Utility Operating Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	E	6,692
Increased by:		
2020 Budget Appropriations -		
Interest on Bonds and Notes	E-4	<u>37,700</u>
		44,392
Decreased by:		
Disbursements	E-5	<u>36,862</u>
Balance - December 31, 2020	E	<u><u>7,530</u></u>

## Borough of Bradley Beach, N.J.

## Schedule of Various Reserves

## Sewer Utility Operating Fund

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<b>Reserve for:</b>				
Compensated Absences	50,000			50,000
TNSA		46,000		46,000
	<u>50,000</u>	<u>46,000</u>	<u>-</u>	<u>96,000</u>
	E	E-5		E

## Borough of Bradley Beach, N.J.

## Statement of Serial Bonds

## Sewer Utility Capital Fund

Maturities of Bonds	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
			Dec. 31, 2020						
			Date	Amount					
Sewer Improvement Bonds	12/24/14	\$	820,000		5.00%				
				30,000	5.00%				
				35,000	5.00%				
				35,000	5.00%				
				40,000	5.00%				
				40,000	5.00%				
				40,000	5.00%				
				40,000	5.00%				
				45,000	5.00%				
				45,000	5.00%				
				50,000	5.00%				
				50,000	5.00%				
				55,000	4.00%				
				55,000	4.00%				
			60,000	3.25%					
			60,000	3.25%					
					670,000		30,000	640,000	
					670,000	-	30,000	640,000	
					E		E-25	E	

## Borough of Bradley Beach, N.J.

## Statement of Bond Anticipation Notes

## Sewer Utility Capital Fund

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2019	Increased	Decreased	Balance Dec. 31, 2020
17-11	Improvements to Sanitary Sewer System	05/22/17	05/21/20	05/21/21	2.00%	315,000	275,000	315,000	275,000
						<u>315,000</u> E	<u>275,000</u>	<u>315,000</u>	<u>275,000</u> E
						Ref. E-25		40,000 275,000	
							275,000		
							<u>275,000</u>	<u>315,000</u>	





## Borough of Bradley Beach, N.J.

## Statement of New Jersey Infrastructure Bank Loans Payable

## Sewer Utility Capital Fund

	<u>Ref.</u>	
Increased by:		
Loans Issued	E-5	374,786
Decreased by:		
Principal Payments	E-25	<u>10,747</u>
Balance - December 31, 2020	E	<u><u>364,039</u></u>

Analysis of Loan Payable:

<u>Date</u>	<u>Fund Loan Program</u>	<u>Trust Loan Program</u>	<u>Total</u>
02/01/21	5,373		5,373
08/01/21	10,747	5,000	15,747
02/01/22	5,373		5,373
08/01/22	10,747	5,000	15,747
02/01/23	5,373		5,373
08/01/23	10,747	5,000	15,747
02/01/24	5,373		5,373
08/01/24	10,747	5,000	15,747
02/01/25	5,373		5,373
08/01/25	10,747	5,000	15,747
02/01/26	5,373		5,373
08/01/26	10,747	5,000	15,747
02/01/27	5,373		5,373
08/01/27	10,747	5,000	15,747
02/01/28	5,373		5,373
08/01/28	10,747	5,000	15,747
02/01/29	5,373		5,373
08/01/29	10,747	5,000	15,747
02/01/30	5,373		5,373
08/01/30	10,747	5,000	15,747
02/01/31	5,373		5,373
08/01/31	10,747	5,000	15,747
02/01/32	5,373		5,373
08/01/32	10,747	5,000	15,747
02/01/33	5,373		5,373
08/01/33	10,747	5,000	15,747
02/01/34	5,373		5,373
08/01/34	10,747	5,000	15,747
02/01/35	5,373		5,373
08/01/35	10,747	5,000	15,747
02/01/36	5,373		5,373
08/01/36	10,747	5,000	15,747
02/01/37	5,373		5,373
08/01/37	10,746	10,000	20,746
	<u>274,039</u>	<u>90,000</u>	<u><u>364,039</u></u>

## Borough of Bradley Beach, N.J.

## Schedule of Interfunds

## Sewer Utility Capital Fund

<u>Fund</u>	Due From/(To)			Due From/(To)
	Balance			Balance
	Dec. 31, 2019	Increased	Decreased	Dec. 31, 2020
Sewer Utility Operating		(8,247)		(8,247)
	<u>-</u>	<u>(8,247)</u>	<u>-</u>	<u>(8,247)</u>
	E			E
Interest Received	<u>Ref.</u>			
	E-5	<u>8,247</u>		

## Borough of Bradley Beach, N.J.

## Statement of Improvement Authorizations

## Sewer Utility Capital Fund

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2019		Paid or Charged	Balance Dec. 31, 2020	
				Funded	Unfunded		Funded	Unfunded
17-11	Improvements to the Sanitary Sewer System	02/28/17	\$ 2,850,000		346,492	9,332		337,160
				E	346,492	9,332	E	337,160
					E	E-5		E

**Exhibit E-22****Borough of Bradley Beach, N.J.****Statement of Contracts Payable****Sewer Utility Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	E	651,518
Decreased by:		
Cash Disbursements	E-5	<u>550,904</u>
Balance - December 31, 2020	E	<u><u>100,614</u></u>

**Exhibit E-23****Statement of Capital Improvement Fund****Sewer Utility Capital Fund**

	<u>Ref.</u>	
Balance - December 31, 2019	E	<u><u>191,252</u></u>
Balance - December 31, 2020	E	<u><u>191,252</u></u>

## Borough of Bradley Beach, N.J.

## Schedule of Various Reserves

## Sewer Utility Capital Fund

	<b>Balance</b>			<b>Balance</b>
	<b>Dec. 31, 2019</b>	<b>Increased</b>	<b>Decreased</b>	<b>Dec. 31, 2020</b>
<b>Reserve for:</b>				
Roof Repairs	100,000			100,000
Video Inspection of Sewer Lines	25,000			25,000
Public Works Generator	24,500			24,500
Sewer Infrastructure Upgrades	37,349			37,349
Manhole Resetting	97,980			97,980
				-
	<u>284,829</u>	<u>-</u>	<u>-</u>	<u>284,829</u>
	E			E

**Exhibit E-25**

**Borough of Bradley Beach, N.J.**  
**Statement of Reserve for Amortization**  
**Sewer Utility Capital Fund**

	Ref.		
Balance - December 31, 2019	E		3,861,386
Increased by:			
Serial Bonds Paid	E-17	30,000	
Bond Anticipation Notes Paid	E-18	40,000	
NJ Infrastructure Bank Loans Paid	E-19	<u>10,747</u>	
			<u>80,747</u>
Balance - December 31, 2020	E		<u><u>3,942,133</u></u>

**Exhibit E-26**

**Statement of Deferred Reserve for Amortization**  
**Sewer Utility Capital Fund**

	Ref.		
Balance - December 31, 2019	E		<u><u>171,000</u></u>
Balance - December 31, 2020	E		<u><u>171,000</u></u>

## Borough of Bradley Beach, N.J.

## Statement of Due From NJ Infrastructure Bank

## Sewer Utility Capital Fund

	Ref.	
Increased by:		
Due from NJ Infrastructure Bank	E-24	<u>14,399</u>
 Balance - December 31, 2020	 E	 <u><u>14,399</u></u>



**Exhibit E-28****Borough of Bradley Beach, N.J.****Statement of Bonds and Notes Authorized But Not Issued****Sewer Utility Capital Fund**

<u>Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2020</u>
Improvements to the Sanitary Sewer System	17-11	2,495,000	2,495,000
		<u>2,495,000</u>	<u>2,495,000</u>
		Footnote E	Footnote E

**Exhibit F-1**

**Borough of Bradley Beach, N.J.**

**Schedule of Cash-Treasurer**

**Public Assistance Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>
Balance - December 31, 2019	F	4,889	4,889
Increased by:			
Cash Receipts Record	F-3	<u>11</u>	<u>11</u>
Balance - December 31, 2020	F	<u><u>4,900</u></u>	<u><u>4,900</u></u>

**Exhibit F-2**

**Borough of Bradley Beach, N.J.**

**Schedule of Public Assistance Cash And Reconciliation**

**Public Assistance Fund**

**Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	F-1	4,889
Increased by Receipts:		
Cash Receipts Record	F-3	<u>11</u>
Balance - December 31, 2020	F-1	<u><u>4,900</u></u>

<u>Reconciliation - December 31, 2020</u>	<u>P.A.T.F. Account #1</u>	<u>TOTAL</u>
Balance on Deposit per Statement of:		
PNC Bank		
Checking	<u>4,900</u>	<u>4,900</u>
	4,900	4,900
Less:		
Outstanding Checks	<u>-</u>	<u>-</u>
Balance - December 31, 2020	<u><u>4,900</u></u>	<u><u>4,900</u></u>

**Exhibit F-3****Borough of Bradley Beach, N.J.****Schedule of Due to Current Fund****Public Assistance Fund****Year Ended December 31, 2020**

	<u>Ref.</u>	
Increased by:		
Interest	F-1, F-2	<u>11</u>
Balance - December 31, 2020	F	<u><u>11</u></u>

**Exhibit F-4****Schedule of Reserve for Public Assistance****Public Assistance Fund****Year Ended December 31, 2020**

	<u>Ref.</u>	
Balance - December 31, 2019	F	<u><u>4,889</u></u>
Balance - December 31, 2020	F	<u><u>4,889</u></u>
<u>Analysis of Balance:</u>		
Account #1		<u><u>4,889</u></u>

**BOROUGH OF BRADLEY BEACH**

**PART II**

**LETTERS ON INTERNAL CONTROL AND ON COMPLIANCE  
AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2020**



# WIELKOTZ & COMPANY <sup>LLC</sup>

CERTIFIED PUBLIC ACCOUNTANTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and  
Members of the Borough Council  
Borough of Bradley Beach  
County of Monmouth, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Bradley Beach in the County of Monmouth as of and for the year ended December 31, 2020 and the related notes to the financial statements, and have issued our report thereon dated July 3, 2021, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Bradley Beach's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bradley Beach's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Bradley Beach's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Honorable Mayor and  
Members of the Borough Council  
Page 2.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Bradley Beach in the accompanying comments and recommendations section of this report.

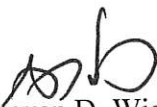
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Bradley Beach's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Bradley Beach in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Bradley Beach's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Bradley Beach's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CROO413

  
WIELKOTZ & COMPANY, LLC  
Certified Public Accountants

July 3, 2021



## **BOROUGH OF BRADLEY BEACH**

### **GENERAL COMMENTS**

#### **Contracts and Agreements**

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2015, the threshold was increased to \$40,000 with a qualified purchasing agent and on July 1, 2020, the threshold was increased to \$44,000.00 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500.00, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." The Borough adopted a resolution increasing their bid threshold to \$44,000.00 based on having a "qualified purchasing agent".

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.



## **BOROUGH OF BRADLEY BEACH**

### **GENERAL COMMENTS** **(CONTINUED)**

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. None were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

### **COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on December 11, 2018 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**RESOLVED**, that in accordance with N.J.S. 54:4-67, as amended in 1970, it is hereby authorized that the rate of interest for delinquent taxes and assessments be fixed at eight percent (8%) per annum up to \$1,500.00 and eighteen percent (18%) per annum over \$1,500.00 on all delinquent taxes and sewer assessments from the date same were due and payable, and on all delinquencies in excess of \$10,000.00, a penalty pursuant to the provisions of P.L. 1991, Chapter 75, is hereby fixed in the amount of six percent (6%) of such delinquency.

The Borough ordinance establishing the rules and regulations on the Sewer Utility provides, in part, that charges not paid on the due dates shall be subjected to a rate of interest of eight percent (8%) per annum, up to \$1,500.00 and eighteen percent (18%) per annum interest over \$1,500.00.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

### **DELINQUENT TAXES AND TAX TITLE LIENS**

The last tax sale was held on October 20, 2020 and was complete.

## **BOROUGH OF BRADLEY BEACH**

### **GENERAL COMMENTS** **(CONTINUED)**

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2020	1
2019	1
2018	1

### **VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES**

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

The result of the test, which was made for the year ending December 31, 2020, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition analytical review procedures were utilized.

## **BOROUGH OF BRADLEY BEACH**

### **OTHER COMMENTS**

1. Resolutions for professional services contracts do not contain maximum or "not-to-exceed" amounts.
2. The Borough has entered into various employment contracts where the compensated absence amount exceeds the permissible threshold of \$15,000.
3. The Borough's payroll account bank reconciliation contains old outstanding checks that should be reviewed for propriety, and an unreconciled difference that should be investigated.
4. Detailed escrow accounts for the Planning Board and Police Duty are not being maintained.
5. I.R.S. Form 1099's are not being issued to all qualifying vendors.
6. Employee health insurance contributions are being reported post-tax without a written letter stating that they were opting-out of pretax contributions.
7. There was a reconciliation difference in the amount of \$44,669 between the general ledger accounts and the bank reconciliations.
8. The cash clearing account transactions were not being entered into the general ledger accounting system.
9. The Police Department is not utilizing the prescribed payroll software to ensure proper accounting of sick time, vacation time, personal time, compensatory time or overtime.

## **BOROUGH OF BRADLEY BEACH**

### **RECOMMENDATIONS**

1. That all Resolutions awarding contracts for professional services contain stated maximum or "not-to-exceed" amounts.
2. That employment contracts be reviewed by Borough personnel to ensure that compensated absence amount does not exceed the maximum permissible amounts.
3. That the Borough's payroll account bank reconciliation be reviewed and old outstanding checks and differences formally cancelled.
4. That the Borough maintain detailed escrow accounts for the Planning Board and Police Outside Services, and that these accounts be reconciled to the general ledger on a timely basis.
5. That procedures be reviewed to ensure that all qualifying vendors are issued I.R.S. Form 1099.
6. Pretax health benefit opt-out contribution forms should be prepared and give to employees to sign to opt-out of pretax health benefit contributions.
7. That all case accounts be reconciled to the general ledger on a monthly basis.
8. That the clearing account monthly receipts and disbursement be recorded in the general ledger and reconciled to the clearing bank statement.
9. That the Police Department utilize the prescribed payroll software which is utilized by the rest of the Borough.

## **STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS**

A review was performed on all prior year recommendations and corrective action was taken on all except those marked with an ("\*").

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Very truly yours,



Steven D. Wielkottz, C.P.A.  
Registered Municipal Accountant  
No. CROO413



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey